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Church bells ring out as kidnappers release last British hostage and US professor

Waite freed after 1,763 days

Archbishop's envoy due at Lyneham today

By Ali Jaber in Beirut and Christopher Walker in Amman

TERRY Waite emerged from nearly five years of captivity last night at the side of one of the Beirut hostages he had sought to free.

Church bells rang across Britain to celebrate as Mr Waite and the Scottish-born American Tom Sutherland were released by their kidnappers yesterday afternoon and driven to Damascus to be handed over to their ambassadors.

Mr Waite, who had been held hostage for 1,763 days, was reunited with his brother, David, at the ambassador's residence and then underwent medical checks before flying to Cyprus for the night. He will return to RAF Lyneham, Wiltshire, today. Dr Sutherland will be taken to the USAF base at Wiesbaden in Germany for a reunion with his wife, Jean, before flying home to Colorado.

Mr Waite, a special envoy of the former Archbishop of Canterbury, Dr Robert Runcie, had been seized while trying to negotiate freedom of other Beirut hostages, including Dr Sutherland, an agricultural professor at the American University in Beirut who was captured in June 1985. Mr Waite was regarded as the pro-Iranian kidnappers' trump card and his surprise release yesterday was seen as a sign of Iran's anxiety to improve relations with the West.

The release had been predicted by the *Tel Aviv Times* at the weekend and speculation intensified when Mr Waite's wife, Frances, moved out of her home in south London to a secret location on Saturday. The firmest indication came with the arrival in Lebanon of Giandomenico Pico, the UN secretary-general's envoy who has instrumental in securing freedom for three hostages since John McCarthy's kidnappers asked the UN to act as mediator in August.

Then yesterday, the Islamic Jihad kidnap group announced: "Completing what we have started with United Nations secretary-general Javier Pérez de Cuellar, we declare today the release of Terry Waite and Thomas Sutherland."

The typewritten note was slipped under the door of a Western news agency in Beirut, accompanied by an old photograph of Terry Anderson, the American who is the longest-serving hostage and who is now the lone captive of Islamic Jihad.

THE ROAD HOME
How the hostage question has dominated the politics and diplomacy of the Middle East, and its relations with the West. Page 2

THE WAITES
Profiles of the family and church friends he left behind and a portrait of fellow hostage Thomas Sutherland. Page 3

IRAN-CONTRA AFFAIR
Nigel West examines the shadowy connection with Colonel Oliver North. Page 4

HERO OR FOOL?
Clifford Longley asks: should Terry Waite have known the danger he was in? Page 14
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Two other Americans remain hostages in Beirut — Joseph Cicippio and Allan Stein — and Signor Ficco hopes to bring all three home for Christmas, a target agreed by both Iran and Syria. Besides the Americans, two Germans are still held captive, but their fate has been kept separate from the global exchange process.

The comprehensive swap being negotiated by Señor Pérez de Cuellar also involves some 350 Arabs being held in Israel and at Khiam-prison in south Lebanon, and seven missing Israeli servicemen. Since Mr McCarthy's release, 66 Arabs, two Americans and the British Jack Mann have been freed. Israel has also received proof that two of its men are dead and the remains of a third have been sent home. Jerusalem is now demanding the return of the navigator Ron Arad, the only one of the seven thought to be still alive, and firm information on the others before it will free the Arabs, who include the Muslim cleric Sheikh Abdel Karim Obeid.

Although Israel was not directly involved in yesterday's release, officials in Jerusalem predicted that it could give the process greater momentum. That view was also taken by a Western security expert who said: "Waite was considered by the kidnappers — to be the biggest bargaining chip of all. Now that he is free, there is real hope that the process will move along much more swiftly."

The decision to free Mr Waite, aged 52, and Dr Sutherland, aged 60, came in the midst of a flurry of activity in Middle Eastern affairs. Last week's announcement by Britain and America exonerating Iran and Syria of any involvement in the Lockerbie bombing and the Foreign Office intervention to prevent a public vigil to mark 1,000 days of the death sentence imposed on the author Salman Rushdie were seen as factors in the timing of the release.

But a senior Arab diplomat indicated that Mr Waite and Dr Sutherland had gained

their freedom in spite of rather than because of the Middle East peace conference, saying: "The fact that the releases are going ahead at this time is indicative of the strength of the mechanism put in place by the United Nations to close the hostage file once and for all." A senior Muslim fundamentalist also insisted yesterday that the hostage issue was completely separate from the Middle East peace talks, to which Tehran is opposed. Solving the hostage problem had been placed entirely in the hands of the United Nations.

"The decision to free the hostages has been taken and is not linked to the peace process," the source said. "But the Israeli aggression in the south could affect the timing of the release."

Yesterday's developments were welcomed on both sides of the Atlantic with official thanks to the UN, Syria, Iran and Lebanon. The prime minister said he was delighted at the news, but insisted that no deals had been done to secure the hostages' release. "We have waited five years for this," he said. "It must have been a long and agonising period both for Terry Waite and for all those who knew him, his family and friends. I hope very soon we will see the end of this."

Mr Waite's cousin, John, said: "This really is the end of the Terry Waite saga — the beginning of his freedom again. Even now I cannot believe that it is true. This hostage situation has been an intractable problem. For years and years and years and the UN stepped in where others almost feared to tread."

"I am still staggered that they have managed it and with such speed and dispatch. All credit goes to Pérez de Cuellar and his team for working around the clock to achieve it. I can hardly believe it."

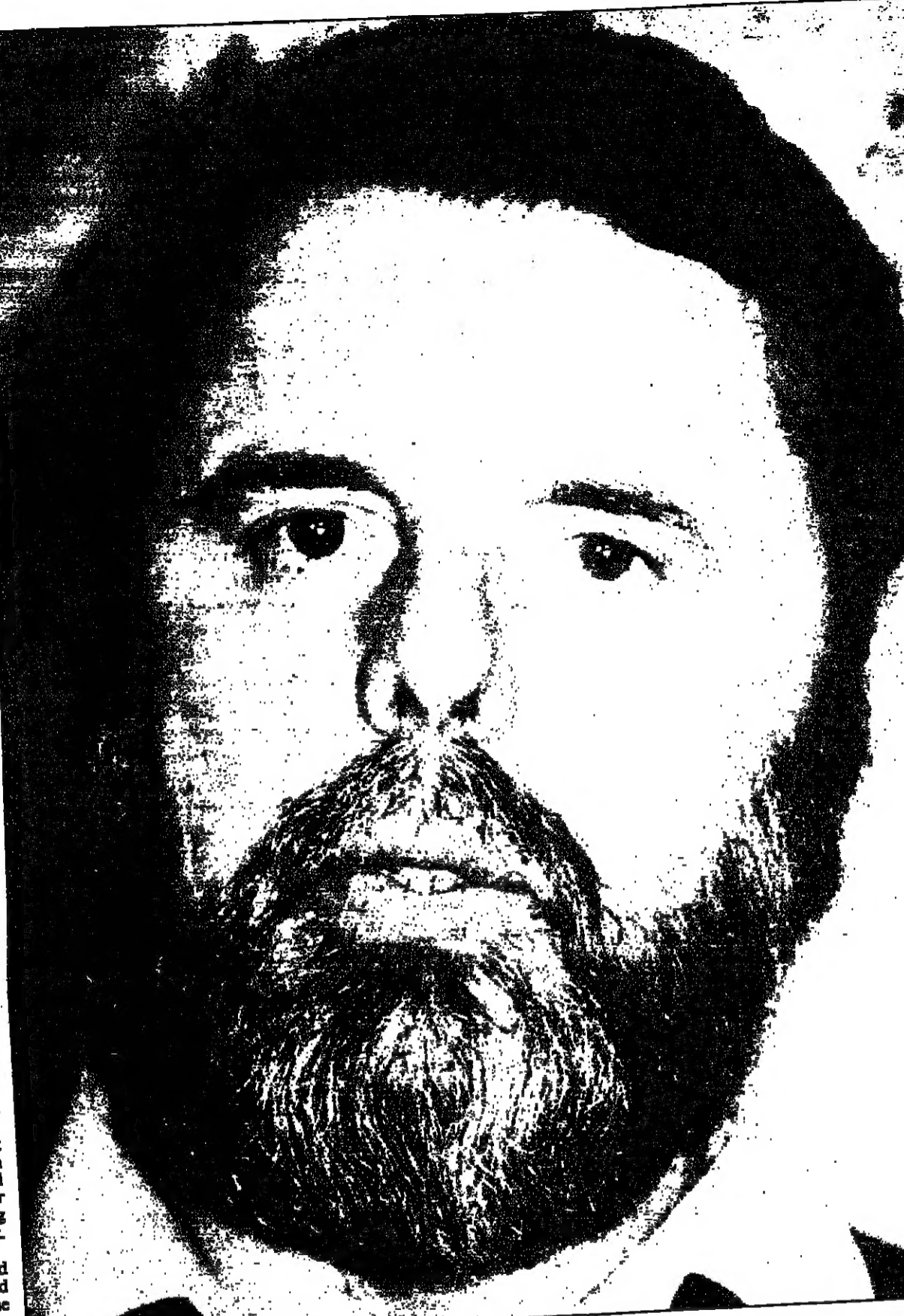
Lord Runcie was relieved and amazed and said he hoped to see Mr Waite later in the week. "The first thing I am going to say to him is 'Welcome, well done, it has been a long time, we have a lot to catch up with.' His successor, Dr George Carey, welcomed the release and praised the "dignity and fortitude" of Mr Waite's family.

Dr Sutherland's wife was flying from Beirut to Iowa for her father's funeral yesterday when she heard of her husband's release. She then changed direction and set off for Germany. Mrs Sutherland's father died of cancer two days ago and her daughter, Kit, said yesterday: "We don't know whether to celebrate or mourn. Half the family is on its way to Iowa for the funeral. Half the family is on its way to Colorado."

AMID the medieval horrors of the Lebanese kidnappings, Terry Waite's ordeal always stood out. He was a Christian of undoubted courage striving to free Westerners from the hands of Muslim kidnappers. But there was more to his mission than that? His links to Oliver North, and to other American officials bent on bargaining arms for hostages, ensured that his case would always be special.

It was always thought that the kidnappers would keep him until last. The enigma remained: was Mr Waite involved in covert operations — and if so, should he have been allowed to return to the Middle East when his safety was so clearly compromised?

Lord Runcie, the former Archbishop of Canterbury, last night gave his view: Mr Waite was a man who no longer listened to reasonable argument. His determination, and to some extent his hubris, had taken over. Should he have tried to stop him? Had he tried, Lord Runcie said, Mr Waite would most probably



Homeward bound: Terry Waite, who was released in Beirut yesterday and reunited with his brother David in Damascus. Last night he was on his way to Cyprus, before flying back to RAF Lyneham in Wiltshire

Courage in a web of deceit

Did the Americans use, or try to use, Terry Waite as a tool in their Middle East strategy? David Watts reports

have gone in any case, and this would have caused unexplained "further difficulties".

Mr North attended countless Middle East strategy sessions with Mr Waite on both sides of the Atlantic, and it is probable elsewhere. But he is less than transparent about their working relationship. "I don't think it would be helpful to Terry or any of the other hostages to talk about what his relationship was or wasn't, in that it's easy to misunderstand anything that I might say, any denial I might give, and there is no point in exposing him to further jeopardy," he told a BBC *Panorama* interviewer.

The Rev Samir Habib, who served as Mr Waite's counterpart in the American Episcopal Church, is categorical that he was not involved in the Americans' complex

Middle East manoeuvring: "Terry was an independent humanitarian," he has told *The Times*. "I have never believed, and never used by the American administration. He indeed related to other persons who had resources that could be helpful and used them when they could be useful," he said.

But Nigel West writes: "Mr Waite's involvement with the American hostages in Lebanon began when Mr Casey [the CIA director] had exhausted every avenue in attempts to obtain the release of William Buckley, the CIA station chief in Beirut snatched by Hezbollah gunmen outside his apartment on March 16, 1984. [He died, or was killed, in captivity.]

West says Mr Waite's role was to supply a plausible reason to explain publicly the anticipated release of the American hostages: "In particular, the CIA wanted Buckley freed before he could compromise the many priceless secrets he possessed."

France loses its way on the linguistic map

From PHILIP JACOBSON IN PARIS

PERHAPS it is because the French cherish their native tongue with such fervour that they are obsessed with preservation of its status far beyond their own borders, nurturing its roots assiduously from West Africa to the West Indies by way of Vanuatu and the Val d'Aoste. No corner of the globe is neglected in the search for lost communities of French speakers to be added to the roll call as a new tricolour is pinned to the linguistic map.

The grand "summit" for francophone nations opening in the Palais de Chaillot in Paris today is designed to reassure France that the language of Racine and Victor Hugo, Proust and

Camus, is alive and well in a world turning inexorably to English for international communication. Proceedings will be opened and closed by President Mitterrand, whose passion for French is well known. To emphasise this devotion he will also entertain delegation heads in the Elysée Palace, and probably had a hand in deciding that they attend a gala performance of Molière's *Le médecin malgré lui* at the Comédie Française.

Yet these are testing times for the guardians of the language, anxiously counting francophone heads. French has slipped to eleventh place in the league table of habitual users, lagging behind not only Chinese (first) and English (second) but also Spanish,

Portuguese and something described as Malais-Indonésien.

The latest count claims that French is today the mother tongue of some 75 million people, though the inhabitants of Jersey and Guernsey might not take too kindly to being lumped in with the Sarre region of Germany and Andorra as "enclaves" where the francophone banner still flies. In the intonations of *le fair play* — one of the Franglais phrases that send a shudder down Mitterrand's spine — one should also record that French is still second only to English as a vehicle for written communication. It falls to Catherine Tasca, in charge of francophone affairs at the Quai d'Orsay, to hold the line with an annual budget of

just 50 million francs (£5 million), which is about the amount France will spend on the Chaillot summit. President Mitterrand is a great fan of Mme Tasca, whom he once hailed as "une lame", a cutting blade, always useful in dealings with the entrenched bureaucracy of the French state.

Now she is the Elysée's frontline representative in the campaign to preserve the francophone heritage. In a world full of people poring over Teach Yourself English books, the French government has no such worries, but that should surely not prevent us from wishing Mme Tasca *bonne chance*.

REST OF THE NEWS

Warships ready for Dubrovnik

TWO British warships are preparing to steam to Dubrovnik and Split to rescue Yugoslav refugees from the country being torn apart by civil war, as part of a corridor protected by member nations of the Western European Union.

The closest ships are HMS Fearless, an amphibious assault ship, and HMS Minerva, a Leander-class frigate. Any mission would be strictly humanitarian, and they would fire in anger only if attacked.

Aid for Dubrovnik is starting to flood in, with two European aid vessels arriving yesterday. Page 20

IRA name the dead bombers

The IRA yesterday said that Patricia Black, aged 18, and Frankie Ryan, 25, both of Belfast, were involved in an operation aimed at a "specific military target" in St Albans where they were killed when their bomb exploded on Friday night. Page 6

US markets rally after fall

American stockmarkets steadied last night after a day of market falls around the world. At 2.15pm in New York the Dow Jones index of shares was up 14.98 at 2,958.18, a slight recovery from Friday's 120 plunge. London fell by almost 100 points in early trading before the FT-SE 100 rallied to close at 2,502.9, a fall of 43.7. Page 21

Allez Andrew

Rob Andrew, England's most-capped stand-off half and a member of the Rugby World Cup final team, is moving to France to take up a new job. A member of Wasps for five years, he will play for Stade Toulousain but will be available for England. Page 40

Husak dies

Gustav Husak of Czechoslovakia, one of the bad old men of East European communism, died yesterday. He was 78. Page 11

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TODAY IN THE TIMES

RAJ RECALL



Cartier has never forgotten its 1920s Indian classics, as its latest collection shows. Page 13

UP BEAT



The conductor John Elliot Gardiner has matched a feat achieved only by Herbert von Karajan. Page 12



TERRY WAITE

PETER TREVENOR

Telephone call ends wife's five years of loneliness and pain

By RAY CLANCY

A TELEPHONE call from Damascus last night conveyed Terry Waite's first private message to his wife, who has waited silently for his return for almost five years.

Frances Waite, surrounded by her husband's mother and other members of the family, took the call from his brother David, who had travelled to Damascus to be the first relative to greet the former hostage. The call marked the end of almost five years of aching loneliness for Mrs Waite.

For Terry Waite's mother, Lena, aged 77, it was also a moment of immense relief. Yesterday was the day that she feared she would never live to see. She travelled from her home in Lymm, Cheshire, to be in London with the rest of the family.

The Waite family learnt on Saturday that there was a very good chance that he was about to be released. Frances Waite calmly covered her furniture with dust sheets and packed a small suitcase, and was taken to a secret location in London to wait for further news.

Since her husband's disappearance in January 1987, she has kept a low profile. Mrs Waite, a quiet and shy woman

of 50, has survived to protect her children, Ruth and Clare, twins aged 26, and Gillian, aged 25, and Mark, aged 20, from the almost incessant publicity generated by their father's captivity. She has refused to speak in public, leaving David Waite and the brothers' cousin, John Waite, to act as family spokesmen.

The two men were always willing to be interviewed. They talked about how the family's Christian faith helped and at first involved political statements of criticism of the government. After two years, however, they felt compelled to be more pragmatic.

David Waite, who lives in Witney, Oxfordshire, called for diplomatic relations between Syria and Britain to be restored. He also said that a special embassy ought to be sent to Iran to talk about the hostages.

The family experienced frustration, dashed hopes and deep sadness. They endured many false and harmful rumours and became deeply sceptical about press reports. The stories included reports that Terry Waite was dead, that he had suffered a heart

attack, had converted to Islam, had been sent to Iran and had been injured during an escape attempt. It is no wonder that they found it difficult to believe that this time Terry really was free.

Frances Waite spent the lonely hours helping others. Almost every day she has looked after the elderly at a home near her house in Blackheath, southeast London. Preparing meals, washing up, making beds, and other such simple tasks helped her to cope with the disappearance of her husband.

The couple married in 1964 after meeting in London. Two weeks later Mrs Waite experienced the first of many separations when her husband announced that he was off to Geneva for a two-week conference on church affairs. In a rare interview given in 1984, she described Terry's life as being "a mixture of ifs, when maybe" and "maybes". She said of his frequent travels abroad: "I could usually manage to remain in control for about five weeks, then I would feel the pressure."

Friends say it is a miracle that she has coped with almost five years of pressure and she has her husband's survival with her own triumph over torment and trauma. Eve Keatley, who was a Lambeth Palace press officer and has known Mrs Waite since 1979, said: "She has got terrific guts. She is a very brave and resourceful woman and it is her courage, determination and sense of humour that have kept the family together."

When other hostages were released the family found it difficult to cope, but such events also brought hope. John Waite said: "John McCarthy has been a real inspiration. He emerged from his ordeal like he had just gone for a Sunday stroll in a park. That gave us hope that they wouldn't have broken Terry's spirit."

One other man inspired the family. Lord Runcie, the former Archbishop of Canterbury kept in constant touch with the Waite family, strengthening their Christian faith and refusing to let them believe that Terry would not survive. John Waite said: "He has been a real pillar of strength. He is a marvelous man."

A candle has burned brightly at All Saints Church, Blackheath, for Terry ever since he disappeared. Last night, as friends gathered at the church to take part in a thanksgiving service, the Rev Henry Burgin said: "This is a day of great joy."

Lord Runcie criticised those who had hoped at Mr Waite's past efforts. "He hadn't had an easy life of it, but when they used to mock his efforts at getting people out of Iran and Damascus, I was confident that he could endure a great deal and that has been proved."

"There have been people whose judgment I respected who took a gloomy view and doubted whether he was alive. The silence [on Mr Waite's whereabouts] was difficult to understand and to interpret. But I can't think of any time when I thought he was not alive."

"Sometimes it's been suggested that those who weren't making headline efforts have been sitting on their bottoms. I think Terry understood very well that for the sake of ending the hostage-taking that we didn't leap around making dramatic gestures which achieve nothing."



End of their vigil: Frances Waite, top left, wife of the church envoy, and his cousin, John Waite, right, who acted as spokesman for the family. Lord Runcie, the former Archbishop of Canterbury, below left, kept in constant touch with the family



Runcie waits to welcome envoy

By PETER VICTOR

"WELL done, it has been a very long time," were the words with which Lord Runcie said he would come home his special envoy. "I am delighted and thrilled," the former Archbishop of Canterbury said. "I can hardly believe it has happened all so quickly today. I am waiting for the news which will enable me to know exactly when Terry is going to be over here. The first thing I am going to say to him is 'welcome, well done, it has been a very long time, we have a lot to catch up with.'"

Lord Runcie said he hoped that Terry Waite's release would signal the imminent release of Terry Anderson, who has been held captive for almost seven years — and an acceleration of the exchange of hostages in the Middle East. "I think it's the result of pressure from Iran to remove this obstacle to their re-entry into the international community," he said.

The process leading to yesterday's announcement had gone quicker than he had expected, Lord Runcie said. "But I felt something was happening. When you've had five years of hostage watching you tend to be able to distinguish between the bogus and the ones that have got substance. I felt this had substance. The time was right."

He said that ardent voices in the Lebanon had tried to delay the release process. Some had said Israel was not playing its part. Lord Runcie said, however, that he thought other factions in the Middle East had resisted pressure from these other strident voices and had pressed for Mr Waite's release.

Lord Runcie said he had been concerned about Mr Waite's health, especially while he was being held in isolation. "I was encouraged

by the reports of John McCarthy that the end of isolation, which must have been terrible for Terry, has made a big difference and he quickly accepted to his whereabouts in company again."

"Mr Waite would have stood up to his ordeal much better than many would have imagined," Lord Runcie said. "Terry has more inner resources than people sometimes imagine. He was in Uganda working for the Anglican church for seven years during the Amin regime."

"There were some horrendous experiences there, visiting groups of prisoners with bodies piled around the cell. He had to take part in the amputation of a colleague's leg on one of the roads. He also had to deliver one of his own children in very remote circumstances."

Lord Runcie criticised those who had hoped at Mr Waite's past efforts. "He hadn't had an easy life of it, but when they used to mock his efforts at getting people out of Iran and Damascus, I was confident that he could endure a great deal and that has been proved."

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Doctors smooth way back to a state of self-reliance

By NIGEL HAWKES SCIENCE EDITOR

TERRY Waite will be greeted at RAF Lyneham by a medical team now well used to providing medical and psychological counselling to released hostages. Both John McCarthy and RAF Lyneham spent time at the Wilshire base after their release from Lebanon.

The first medical checks will be made in flight. Terry Waite has suffered from asthma, so it is likely that the medical team on the RAF VC-10 will give him a lung test. If medical treatment is needed, RAF Lyneham is only a short helicopter ride from the RAF hospital at Wroughton.

Initially, it is likely that the sheer joy of freedom will carry Terry Waite along. "Former hostages often perform very well on television as a result of their exhilaration," says Dr James Thompson, senior lecturer in psychiatry at University College and Middlesex School of Medicine in London, a specialist in the treatment of hostages. "They come across as normal, but then after a few days things begin to fade and life starts pressing in. They are asked to take decisions for the first time in years — what they want to do, whether they want to talk to the media, that kind of thing. They can find the emotional pace too much."

For this reason, hostages are encouraged to spend some

days or weeks in relative seclusion — a paradox after they have spent so long alone, but a necessary re-introduction to the world. The freed hostage Brian Keenan said: "It may sound strange but on being released there is a desperate need to be alone."

The psychological symptoms of freed hostages generally include unwanted recollections of captivity, anxiety, irritability, difficulties of concentration and depression. The apparent improvements in the way hostages have been treated to make them "more presentable" on their release, should diminish these symptoms, Dr Thompson believes.

The fact that hostages have been able to talk to one another has even provided a degree of group therapy. Earlier hostages found the resumption of social life traumatic. "After so many months in silence, he had forgotten how to talk properly," said Mrs Joelle Kauffman, the wife of a French photographer freed after three years' captivity in Beirut. "Words just came out in a torrent. He had come out in a torrent. He had forgotten about ordinary noises too, about light and other people's normal voices."

The freed hostage's family also need to be considered. "The whole family will need

the support of friends and the church," Dr Thompson says. The man who returns will not be quite the same as the one they lost, he believes. Louisa Kennedy, whose husband was held in the 444-day siege of the US Embassy in Tehran, said: "Your first worry is 'Has he changed? Is it going to destroy my marriage?'"

● The hostages held by Islamic Jihad spent their days playing with home-made packs of cards, reading books about the Iranian Revolution and taking part in Bible readings. Their breakfast was usually bread and cheese; there was ice cream on their birthdays and the occasional glimpse of Lebanese television when they were allowed to watch *Dallas* and *Dynasty*.

But the grim routine began to change last October when it became apparent that they might have to free their charges to a critical world. For Terry Waite, the first sign was when magazines, a radio and air-conditioning were provided and the hostages were allowed to be together.

"There's a lot of good camaraderie between them all," John McCarthy said after his release. "Terry has not lost his sense of humour. He's not lost his faith. He's had a Bible with him the whole of the time."



Lyttle: tireless worker for Lebanon hostages

Man who never gave up

By ANDREW MCEWEN AND RUTH GLEDHILL

THE CHURCH

THE man who did more than anyone to secure Terry Waite's release will not be there to see him return home. John Lyttle, the former Archbishop of Canterbury's secretary for public affairs, died in April. He spent more than four years negotiating for Mr Waite's release, travelling to all parts of the Middle East. In spite of a serious heart condition, which eventually killed him, Mr Lyttle was tireless in exploring all possible avenues. He was tough, single-minded, and undeterred by the hostility of Downing Street to some of his initiatives.

Mr Lyttle, a former Labour party official and chief officer of the Race Relations Board, was invited to work at Lambeth Palace by Lord Runcie as his principal adviser on government affairs. He arrived on January 10, 1987. Three days later Mr Waite was kidnapped.

Mr Lyttle was succeeded by Francis Wills, who has also been working behind the scenes to good effect and who must take some of the credit for yesterday's release.

Mr Wills, aged 50, flew to Cyprus with Terry Waite's brother David early yesterday morning. He had made the same trip twice before: in August when John McCarthy was released with the first firm news that Terry Waite was alive and well, and in September when Jack Mann was handed over.

Lambeth Palace was yesterday crediting United Nations staff with the most crucial role in the releases, but Mr Wills's efforts, too, have undoubtedly helped.

Outside world spun on unseen

By MATTHEW D'ANCONA

MISSING YEARS

AS HE opens a British newspaper today for the first time nearly five years, Terry Waite is perhaps reflecting that 1,763 days is a very long time indeed in the world of politics.

When Mr Waite was kidnapped in Beirut in January 1987, Mrs Thatcher was in No 10, Nigel Lawson, Viscount Whitelaw and Sir Geoffrey Howe were in the cabinet, and Michael Heseltine had recently returned to the back benches. Labour was unilateralist and Sir David Steel was Liberal leader.

The community charge was still the government's flagship policy. Green issues had yet to reach the mainstream agenda and the theory of global warming was scoffed at by most scientists.

While Mr Waite languished in a Lebanese cell, George Bush was elected US president, Soviet troops withdrew from Afghanistan, the Berlin Wall came down, and pro-democracy demonstrators were massacred in Tiananmen Square. From Santiago to Prague, dictatorships crumbled and free elections swept the world, as the cold war gave way to a new world order.

Events in the Soviet Union unfolded at a giddy pace. As Mikhail Gorbachev's moment passed, Boris Yeltsin rose from the political fringes of the Politburo to the presidency of Russia. In the Middle East, the Gulf war pitted a western alliance against a dictator that it had armed, triggered an environmental disaster and strengthened the general resolve to find a settlement in the Middle East — a diplomatic aftermath with which Mr Waite's fate has been entwined.

He will also learn the full horrors of the human tragedies which have scarred the news pages during his absence: the Lockerbie disaster, the sinking of the Herald of Free Enterprise, the Piper Alpha explosion and the death of 95 football fans at Hillsborough.

There will be plenty for the released envoy to absorb as he adjusts to the changed landscape of Britain — the Rushdie Affair, satellite television and Neighbours among others. Whatever snippets he has gleaned from the BBC World Service, he may well find that life in 1991 takes some time to come to terms with.

Joy and sadness in family as American hostage is freed

FROM MARTIN FLETCHER IN WASHINGTON

IN A cruel twist of fate, Thomas Sutherland was released after six years as a hostage in Lebanon just two days after his father-in-law's death from cancer.

"We don't know whether to celebrate or to mourn," said Kit Sutherland, daughter of the Scottish-born actor of who had been held longer than any hostage save Terry Anderson. "Half the family is on its way to Ames [Iowa] for my grandfather's funeral. Half the family is on its way to Colorado for Dad's homecoming."

Mr Sutherland, a naturalised American, was kidnapped in Beirut on June 9, 1985 by the Islamic Jihad when several gunmen shot out the windscreen and tyres of the car that was taking him from the city's airport to the American university. He had just returned from a trip to the United States for

his daughter Kit's graduation from the Colorado university. His wife, Jean, had remained in Colorado to finish a doctoral dissertation.

Mr Sutherland, aged 60, was then acting dean of agriculture at the university and had lived in Beirut for two years. Before taking the job he had discussed the dangers with his family but struggled them off.

"He thought it would be a real adventure," said Ann, another of his three daughters. "He liked going to new places. He knew the risks but he wasn't scared off." He had stayed in spite of the kidnapping of another university employee just months earlier.

Mr Sutherland, a science graduate from Glasgow University, moved to the United States in the 1950s.

Having been awarded a master's degree and PhD from Iowa state university, he joined Colorado state university at Fort Collins as a professor of animal sciences.

Several released hostages took news of Mr Sutherland to his family, telling them that even in captivity he had remembered to celebrate Robert Burns's birthday.

His wife continued to teach at the American university after his capture and said last year that she believed from hostages that he wanted to remain at the university after his release.

"The four things that meant most to Tom... are his home, his family, his work and his friends and he found all four of those here in Beirut," she said on the sixth anniversary of his capture earlier this year. Apart

from his daughters, who all live in the United States, he has one granddaughter, aged four. Former hostages saw a picture of his grandchild that Mrs Sutherland had placed in a Lebanese newspaper. Mr Sutherland's captors never released any photographs of him.

Marjorie Lally, niece of Tom Sutherland heard the news of his release yesterday from her hospital bed at Queen's Medical Centre, Nottingham, hours after discovering she had lost her baby. She said she was "over the moon" at the news of her uncle's release but she wanted to see his face on television to be sure he had been freed.

Mrs Lally, who was taken to the medical centre on Saturday and suffered her second miscarriage said: "I spoke to my father, William, who is Tom's brother, this lunchtime, and he was very emotional."



Sutherland: shrugged off Beirut's dangers and welcomed prospect of "real adventure"

THE IRAN-CONTRA AFFAIR

Casey desperate to free agent haemorrhaging secrets under torture

CIA 'asked Waite to intervene'

Tracing the origins of the Iran-Contra affair has raised many unanswered questions about the key players, writes Nigel West

WHY was Terry Waite seized by Hezbollah and what was his relationship with the CIA? Was he a naive dupe or was he a ruthlessly manipulated agent in a clandestine operation to secure the release of one of the CIA's most important senior officers? Only Mr Waite can answer this question. Oliver North has refused to do so and the only other person in a position to clarify these issues, William Casey, President Reagan's CIA director, is now dead.

Mr Waite's abduction in Beirut followed soon after the leak of Colonel North's secret testimony to the Tower Commission. When confronted with the awkward disclosure that he had held several covert meetings with Colonel North, and was to be quoted directly in published version, Mr Waite only denied that he had known the full details of the arms-for-hostages deals.

Ignoring urgent advice that his role as an intermediary had been hopelessly compromised, he confirmed his intention to return to Beirut in January 1987. His last visit was overshadowed by the disclosure of Robert Oakley, the former head of the State Department's office for combatting terrorism, that "North helped Waite by arranging planes,

shelter and protection for him".

Mr Waite's involvement with the American hostages in Lebanon began when Mr Casey had exhausted every avenue in his increasingly desperate attempts to obtain the release of William Buckley, the CIA station chief in Beirut who was snatched by Hezbollah gunmen outside his apartment on March 16, 1984. Mr Waite's role was to supply a plausible reason to explain publicly the anticipated release of the American hostages. In particular, the CIA wanted Buckley freed before he could compromise the many priceless secrets he possessed.

Although other Americans had been grabbed, the CIA was especially concerned about Buckley who had a wealth of experience and was the CIA's principal expert on counter-terrorism techniques. The CIA director was determined to recover Buckley before his abductors learned of the importance of their prize. He was also desperately concerned about the morale of his own staff if he failed to find his Station Chief.

It was when the TWA flight was hijacked by Hezbollah in June 1985, and the gunmen demonstrated their detailed knowledge of American countermeasures,



Last exit: the last photograph before his kidnap of Terry Waite, being driven to a secret destination in Beirut on January 20, 1987, by two Druze bodyguards

that it became obvious that Buckley, after months of torture and maltreatment, had finally succumbed to his interrogators. Throughout the TWA incident the hijackers were always one step ahead of the Americans and the specialist units deployed to seize back the aircraft, using tactics that had been so successful at Mogadishu and Entebbe, were forced to wait idly in Cyprus. In the end the Israelis were persuaded to

surrender hundreds of fundamentalist prisoners in return for the American passengers.

The fact that Buckley was evidently haemorrhaging the secrets of Delta Force, whose training he had supervised at Fort Bragg, and disclosing vital intelligence from the CIA's secret inter-agency anti-terrorism task force, compelled Mr Casey to authorise drastic and illegal action. He also feared that morale within the CIA

would plummet if he failed to do everything possible to find Buckley. The difficulty with his controversial arms-for-hostages scheme was that during the Iran-Iraq war it was illegal to supply arms to either side.

A United Nations embargo was in force and if the CIA were involved in evading Congress would find out because of the watchdog system of oversight committees. However, Mr Casey seized on a loop-

hole in the law which excluded the National Security Council from congressional oversight and selected Colonel Oliver North, the NSC staff officer responsible for liaising between the various anti-terrorism agencies, to supervise the transfer of anti-tank and anti-aircraft missiles to Iran in return for Buckley's release.

Colonel North was the vital link between the arms salesman and the CIA, and his involvement lent the CIA

"plausible deniability". He was also responsible for liaising with Mr Waite while the complex negotiations with the Iranians were conducted. They met at least five times, in London, New York and Zurich. The first illicit shipment of TOW anti-tank missiles was delivered on August 20, 1985, to Tabriz airport in Iran. This was followed a fortnight later by a second consignment of 405 TOW missiles.

According to the agree-

ment arranged by Colonel North, the Iranians would order Hezbollah to release Buckley into the care of Mr Waite in Beirut once the shipment had been received in Iran and inspected. Mr Waite's role was limited to accompanying Buckley from the agreed rendezvous outside the British embassy in Beirut and into American hands. Apparently, he was not informed of the weapons deal, but merely told that Buckley was about to be freed into his custody. In the event, on September 15, the Iranians double-crossed Colonel North, and Mr Waite instead found himself greeting another cleric, the Rev. Benjamin Weir.

A Presbyterian missionary who had lived in Lebanon for 30 years, Mr Weir had been snatched two months after Buckley, in May 1984. Not only was he enthusiastically pro-Hezbollah and anti-American, but when he was debriefed by Colonel North in Weisbaden he revealed that Buckley had died the previous June.

When the news reached the White House that the Iranians had killed the CIA station chief and freed Mr Weir, a National Security Council adviser, Michael Ledeen, joked that the priest should be returned to Hezbollah.

Despite Weir's confirmation that Buckley was dead, the CIA continued with the sale of missiles in the vain hope of receiving Buckley's body.

Waite's knowledge of these events remains a continuing puzzle which he will soon have to address.

Nigel West (the pen name of Rupert Allason, MP) has written many books on espionage. His *Seven Spies Who Changed the World*, which recounts the Buckley case, was published by Secker and Warburg last month.

Envoy was helped by North in efforts to win captives' freedom

FROM JAMES BONE IN OLD GREENWICH, CONNECTICUT

TERRY Waite several times met Lieutenant-Colonel Oliver North, the figure at the centre of the Iran-Contra scandal, but was never involved in American attempts to trade arms for hostages, according to the churchman who set up the meetings.

"Terry was an independent humanitarian," the Rev Samir Habiby, Mr Waite's main contact in America, told *The Times* in an exclusive interview. "I have never believed,

and refuse to believe, that he was ever used by the American administration. Indeed, he related to other persons who had resources that could be helpful and used them when they could be useful," he said.

Mr Habiby first became involved in attempts to free Western hostages taken in Lebanon after an American

diplomat, Mr William Buckley, was kidnapped in Beirut in March 1984. At about the same time, Mr Waite was contacted by the Presbyterian Church, which was seeking the release of Dr Benjamin Weir, a Presbyterian minister abducted in Beirut in May 1984. The two began to work together to free the hostages.

Mr Habiby and Mr Waite held a series of meetings in Washington on May 9, 1985, with State Department officials and members of the staff of George Bush, then vice-president, who was responsible for humanitarian affairs. Mr Waite later met Mr Bush at the White House in November 1985.

The administration informed the church that Colonel North had been appointed to co-ordinate American efforts to free the hostages. On May 18, 1985, he flew to New York and met Mr Waite for the first time. Further meetings took place at Heathrow airport in July 1985, at Lambeth Palace in the late summer of 1985, in the company of Vice-president Bush at the White House in November 1985, in New York in January 1986, at La Guardia airport in August 1986.

Mr Waite undertook secret contacts with Kuwait on the late of 17 members of the radical Shia muslim al-Dawa party imprisoned in the Gulf state for terrorist attacks. The

kidnappers had demanded that Kuwait free the 17, three of whom had been sentenced to death. Mr Waite met Kuwaiti diplomats in Geneva three times, accompanied by Mr Habiby.

On the day Mr Waite was kidnapped, Mr Habiby telephoned to warn him that the situation in Lebanon had taken a sudden turn for the worse. A Lebanese, Mohammed Ali Hamadi, had been arrested at Frankfurt airport six days earlier carrying explosives. His brother was the security chief of the Hezbollah leader Sheikh Mohammed Hussein Fadlallah. American authorities were seeking Mr Hamadi's extradition to face trial for the hijacking of a TWA airliner at Beirut in 1985.

Some time after the telephone call, having abandoned his Druze bodyguards for an unscheduled meeting at the clinic of an eminent Shia doctor, Mr Waite disappeared. The Druze leader, Walid Jumblatt, who had warned Waite against keeping his appointment at the clinic, remained in daily contact with his captors, and kept the then British ambassador in Beirut, Mr John Grey, informed. But all contact ended soon afterwards when Britain rejected Syrian suggestions that diplomatic relations, broken off after the Syrian embassy in London was tied to a plot to blow up an Israeli airliner leaving Heathrow, should be upgraded.



American connections: top, Waite meeting George Bush, then the vice-president, in 1985; and Oliver North, who had "enormous regard" for the archbishop's envoy

'Scoop' exposes Tehran links

By HAZEL THERMOURIAN

THE best indication that Tehran continues to be involved in the release of Western hostages in Lebanon came last Saturday.

As soon as Iranian representatives in south Beirut received assurances from Hezbollah leaders that the last hurdles in the way of liberating another two captives had been cleared, they passed the news to an Iranian reporter writing for the *Tehran Times*, a mouthpiece in the Iranian capital of President Rafsanjani, which immediately issued a press statement.

The newspaper said that two Western hostages would be released "soon", and that they would consist of a Briton and an American. It was immediately clear that the Briton could be no other than Terry Waite, the last British citizen in Lebanese captivity and the best known of all the hostages.

The haste that the newspaper displayed in advertising its exclusive was typical of its record as the harbinger of good news for the Western captives. The Rafsanjani camp within the ruling clerical establishment that controls the publication wanted to demonstrate it had power over the fate of the hostages.

The Iran government's recent eagerness to give its blessing to the release, however, contrasts with some of its other policies towards Western powers. While it has been "using its influence" over the kidnappers, it has also tried to capture the leadership of the rejectionist Islamic governments opposing the American-sponsored Arab-Israeli peace talks.

Indeed, President Rafsanjani, who is often portrayed in the West as a moderate, told a Tehran conference of rejectionists at the end of September that Iran was ready to send an army to fight Israel and that all the Arab participants in the Madrid conference were traitors.

But the answer to why he has agreed to give up his last lever of pressure, on Britain may be close at hand. Whitehall announced three weeks ago that it had forgiven Iran several million pounds in "defence liabilities", and that it was hoped the trend would continue.

Release revives speculation over US ties

By DAVID WATTS, DIPLOMATIC CORRESPONDENT, AND MARTIN FLETCHER IN WASHINGTON

IRAN-CONTRA is the guns-for-hostages scandal that refuses to die, and the release of Terry Waite will merely enhance its longevity with fresh speculation.

The controversy continues to bubble five years after a small Beirut magazine, tipped off by Iranian hardliners opposed to any dealings with the "Great Satan", first broke the story that nearly destroyed the second Reagan administration. In the months before, Oliver North and Mr Waite were often together at meetings where the hostages in Lebanon were discussed.

But Mr North carefully chooses his words when asked if the man he credits with "incredible" courage and he were working in tandem. He

neither entirely denies nor confirms the connection. When together they were usually in the company of others as Mr Waite worked as a representative of both the Anglican and Episcopalian churches. If there were secret strategy meetings, they are yet to be revealed.

The index in Mr North's autobiography *Under Fire*, in which he said he was sure President Reagan knew about the whole operation, lists two references to Mr Waite. In fact there is only one: a single, passing reference about his kidnapping, about the man who the former colonel said he prayed for every day.

"I pray that the Good Lord would soften the hearts of those who hold Terry, Terry

Anderson and the others, that they might be returned to their families," he told BBC television's *Panorama* last week.

Asked if he had used Mr Waite as a cover for his operations he told the interviewer: "I don't think it's helpful to Terry or any of the

OLIVER NORTH

hostages to talk about what his relationship was or wasn't in that it's easy to misunderstand anything that I might say, any denial I might give, and there is no point in exposing him to further jeopardy."

Interviewer: "Do you think he was innocent victim of this affair?" North: "Certainly he is an innocent victim."

Interviewer: "Do you feel any responsibility about the fact that an envoy who you worked with ended up as a hostage?" North: "I feel an incredible sadness that a man I know personally, a man for whom I have enormous regard for his courage and his selflessness on behalf of his fellow men, has been for years chained in a dungeon in Beirut."

Interviewer: "And do you feel any responsibility for that?" North: "I would just as soon be there."

Interviewer: "Are you a man now who is essentially repenting of mistakes made, or do you believe that what you did was right?" North: "I'm a frail, flawed mortal just like the rest of us, I

make mistakes every single day... The endeavours in which I was involved, were fraught with error and human frailty. I believe that the goals in both cases were noble."

Recent Senate hearings to confirm Robert Gates as CIA director were dominated by questions of what he had and had not known of the secret deal whereby Iran was provided with arms in exchange for the release of hostages when he was the Agency's deputy director. After four-and-a-half years and more than \$25 million (£14.2 million), Lawrence Walsh, the Iran-Contra prosecutor, has prosecuted a dozen protagonists. Despite several convictions, not one had served a day in prison.



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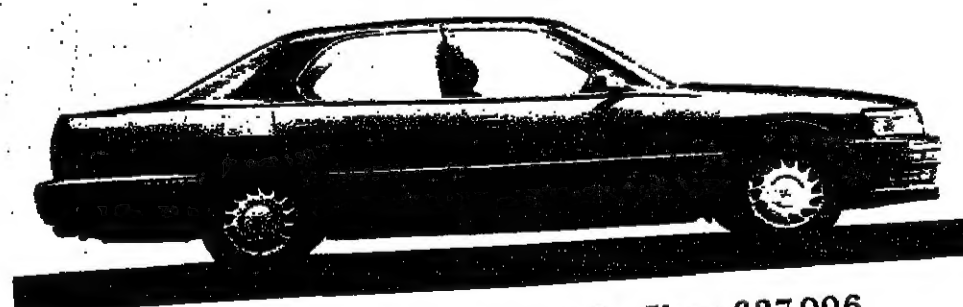
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Orkney council seeks state cash to stay in abuse enquiry



Lee: his lawyers withdrew from judicial enquiry

ORKNEY islands' council is threatening to pull out of the judicial enquiry into the Orkney child abuse affair unless the Scottish Office provides funds for its legal costs. The government will be told this week that the council is "seriously considering" such action.

A council delegation will meet Michael Forsyth, Scottish minister of state, to try to persuade him that without government funding the council will be forced to withdraw from the enquiry, already costing Orkney £36,000 a week.

The enquiry, which entered its 55th day of evidence yesterday, is into how nine local children were seized from their homes by police and social workers in February

The government will receive an ultimatum from Orkney islands' council this week over the child abuse enquiry. Kerry Gill reports.

after allegations of sexual abuse.

The council is paying its own costs as well as those of Gordon Sloan, the interim reporter to the Orkney children's panel at the time of the dawn raids on four family homes on the island of South Ronaldsay. About £400,000 has been spent by the council on legal fees.

Lawyers for Paul Lee, the islands' social work director, withdrew last week after the British Association of Social Workers, which was paying Mr Lee's costs,

said they could no longer do so. The council delegation is expected to ask Mr Forsyth to consider providing Mr Lee's costs as well.

Lord Clyde, the enquiry chairman, said yesterday that he was concerned about the future progress of the enquiry. He said that at the weekend he had discussed with Alan Rodger, the Solicitor-General for Scotland, and senior Scottish Office representatives the threats by several parties to withdraw from the enquiry. Strathclyde region has

also indicated that it would consider withdrawing if Orkney council did so.

Lord Clyde said: "I expressed my very serious concern at the possibility of losing the active participation of any party to the enquiry and in particular of losing the assistance of their representatives. That assistance has been of very great value."

He said the enquiry had nationwide implications. "We cannot foresee what recommendations may emerge. Its relevance may well be found, at the end of the enquiry, to extend far beyond Orkney."

Donald Macfadyen, QC, told Lord Clyde that it was estimated that the enquiry would last until next spring or the summer. Ork-

ney islands' council narrowly voted to give Mr Forsyth time to come up with a funding package.

Alastair Scholes, the vice-convenor, who argued that the council should pull out if the Scottish Office refused to provide the total cost to Orkney, said: "The message from the public is quite clear: stop this expenditure and stop it today."

One councillor, Howie Firth, said: "We are simply saying that we just don't have the money for this enquiry. We are not running away, we are in the eye of the storm."

Other councillors said that the present system of enquiries meant that there was "poor men's and rich men's funding", and that the

outcome could not be fair if some parties were forced to pull out because of lack of money. The cost and length of the enquiry has caused serious public concern. While the Scottish Office originally expected it to last little more than three months, legal sources said last week that, given its present pace, it could last until March 1993.

The revised estimate provided by Mr Macfadyen will depend on how long it takes to hear evidence on interviewing techniques of children in care and evidence provided by the four families concerned.

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Law Times, pages 29,31

Teenage girl 'hired by family to kill sleeping stepfather'

A TEENAGE girl was hired by a family to murder their hated stepfather as he slept in bed beside his wife, a jury was told yesterday.

Louise Price, now aged 18, was promised an £8,000 share of the man's £40,000 life insurance policy if she carried out the killing, a jury at Oxford crown court was told. The carefully planned plot only failed when Price lost her nerve as she stood over Terence Reeves armed with a carving knife and a Stanley knife, the court was told.

Anthony King, for the prosecution, said that Mr Reeves, aged 44, woke up and was slashed across the body as he struggled with the girl in the bedroom of his home in Wheatley, Oxfordshire.

Mr King said that the plot was hatched between Mr Reeves' wife Christina, aged 44, his stepson Paul Reeves, aged 18, stepdaughter Denise

Cresswell, aged 21, and her husband David, aged 23.

Mr King said that the Cresswells met Louise Price at a party in July last year. The following day they told her about the family plan to kill Mr Reeves. Price had a difficult family background and sympathised. She agreed to help in return for the £8,000 payment.

Price, of Blackbird Leys, Oxford, and Christina Reeves, of Wheatley, both admit conspiracy to murder. Paul Reeves, of Little Milton, Oxford, and Denise and David Cresswell of Radley, Oxford, all deny the charge. David Cresswell also denies wounding Mr Reeves with intent.

Mr King said that Price was driven to the family's home at 2am on August 20 last year by David Cresswell. She climbed into the house through a window which had been purposely left open. The mains

electricity had been switched off, telephone wires pulled out of the wall and valuables removed to make it look as if a burglary had taken place. Mr King said that it had been arranged that sleeping pills would be slipped into Mr Reeves' late night drink by his wife.

Armed with the two knives, and wearing industrial gloves lent to her by David Cresswell, Price crept up the stairs to the bedroom, Mr King said. "As she stood over the bed where Terence Reeves was asleep, it would appear her courage failed her and she hesitated for a moment."

"Terence Reeves woke, he challenged the intruder, he tried to switch on the lights but of course they wouldn't work. He got from his bed and at that moment Louise Price struck a number of times, using the weapons she had. He grappled with her, pinned her to the ground and she slashed at him."

"He seized hold of the carving knife and twisted it. Meanwhile it would seem his wife rather than come to her husband's assistance as he was shouting for help, stood there hysterically doing nothing."

Mr Reeves staggered from the house and was found by neighbours lying in a pool of blood in the garden. His wife helped Price to escape by letting her out of the house before police were called, Mr King said. Mr Reeves had since made a full recovery.

Mr King told the jury: "The idea was to make this murder look as if it was the result of some burglary where the intruder had broken into the house and surprised Terence Reeves and stabbed him in his bed as he was asleep beside his wife — one of the conspirators. "The method Terence Reeves should be killed by was discussed, they discussed the question of a gun but it would make too much noise. They were fully embarked on a determined course of action to dispose of Terence Reeves."

Mr King said the plot was laid because Christina Reeves was on bad terms with her husband after he had driven Denise and Paul — children from her previous marriage — from the family home. He said: "There are allegations that Terence Reeves was an unpleasant man to his wife. She obviously wished to divorce her husband and left him for a short time but was persuaded to return because she had no money and she was concerned about the welfare of her eight-year-old handicapped daughter Sarah. Christina Reeves made clear her intention of doing away with him on a number of occasions."

Mr King said that Mr Reeves' wife was the central figure in the conspiracy and had recruited others to help her.

The trial continues today.



Coalition special: a model sports a "spring election special" at a charity fashion show at Harrods yesterday. The hat, by Graham Smith of Kangol, uses the Tory blue torch in straw. Labour's red rose and yellow trim for the Liberal Democrats.

Audiences offered a lead role

By SIMON TAIT
ARTS CORRESPONDENT

MAIDEN hearts in deepest Surrey afflutter for actors appearing at the Thorndike Theatre in Leatherhead, or bachelors from the Surrey Downs, with a secret admiration for Liz Fraser or Dulcie Gray, might have their prayers answered. They can adopt their idols.

The Thorndike, £200,000 in debt this year, is asking audiences to adopt an actor to help it out of its financial straits. "We have a loyal audience and we thought they might like to help us by adopting some of the actors appearing here," said Gordon Stratford, the administrator.

"We want people to adopt an actor for the cost of having them here, which is usually their salary of about £200 a week. To adopt an actor for a production would cost £1,200 and the adopters could take a pride in knowing the show could not have been seen without their help."

This would buy tea with your idol, admission to a press night party and a seat "at a performance of your choice". There is an ascending scale: £800 for a musician for four weeks and £3,500 to parent an usherette for a year.

The Thorndike was rescued from closure year ago by the producer Bill Kenwright, but it continues as an independent theatre on a grant of £165,000, which has remained unchanged for five years.

Mr Stratford has had one response so far, from a lady who wants to adopt the actor David Roper, and is keen to know if Mr Roper is married. Sadly for her, he is not due to appear at the Thorndike.

Translink firms fined over death

Five Channel tunnel construction companies were fined £125,000 yesterday after being convicted of failing to ensure the safety of a worker killed in an accident in January last year (Michael Dwyer writes).

Keith Lynch, a grouter aged 34, was crushed by a train carrying concrete lining segments as he tried to retrieve equipment from the tracks. He was the fourth of seven workers to die on the British side.

Translink Joint Venture, made up of Wimpey, Taylor Woodrow, Tarmac, Cowi, and Balfour Beatty, was found guilty at Maidstone crown court of failing to provide a look-out at the rear of the train. The fine is the largest imposed on Channel tunnel construction companies. The contractors agreed earlier to pay £250,000 damages to Mr Lynch's family.

Sailor jailed for killing
A merchant navy seaman was jailed for seven years yesterday for the manslaughter of a crewmate aboard the Sir Galahad during the Gulf war in February.

Brian Craggs, aged 27, of Knaresborough, North Yorkshire, told Oxford crown court that he had acted in self defence when he stabbed Maurice Foy, from Dublin, after a fight. Mr Justice Roper said that Craggs had been under strain during the war and that the verdict showed he did not intend to kill Mr Foy. Craggs was cleared of murder.

Promoter to stay in jail

Ambrose Mendy, of Wandsworth, east London, the sports promoter serving a 30-month jail sentence for commercial fraud, was cleared of one of two conspiracy counts against him by the Court of Appeal, although the sentence stands. Mendy had been jailed for 30 months concurrent on each charge and the appeal judges rejected his plea to be freed.

Mendy was jailed for conspiracy to defraud. Yesterday, one of the convictions was quashed because of a procedural irregularity in the recording of the jury's verdict.

GP's new battle

The family doctors in the sexual harassment scandal case met in court again yesterday. Dr Alan Houston, who last month was ordered to pay £150,000 damages to his ex-partner, Dr Margaret Smith, has begun a county court action to try to force him to sell his share of their Northampton surgery. After a brief hearing in chambers at Northampton the case was adjourned to the High Court.

Stabbing verdict

A British woman's former father-in-law was convicted by an Egyptian court yesterday of trying to murder her as she tried to take her children from him. Mohammed Abdel-Salam el-Sawy was sentenced to seven years' hard labour and fined about £9,000 for stabbing Pamela Green, aged 37, of London, who is in dispute with her Egyptian-born ex-husband over custody of their three children.

Couple remanded

Mark Evans and Sheila Stroud, both aged 30, of Staunton, were remanded in custody by Cheltenham magistrates yesterday accused of kidnapping and attempting to murder Ivor Skole, aged 32, and Pauline Leysdon, aged 42, of Gloucester, last Friday.

Fund wound up

The Lockerbie air disaster fund has been wound up. Most of the £2.4 million donated has been used to help those affected by the disaster. The balance of £235,000 will be transferred to a trust to benefit the local community, the trustees said yesterday.

IRA names girl, 18, as bomber

By STEWART TENDLER
AND EDWARD GORMAN

A BELFAST girl aged 18 was named by the IRA yesterday as one of the two bombers killed when their device exploded prematurely last Friday yards from a hall in St Albans where the band of The Blues and Royals was playing. In a statement, the IRA identified the dead girl as Patricia Black, and her dead companion as Frankie Ryan, aged 25, also from Belfast. They were involved, according to the statement, in an operation aimed at "a specific military target. Claims by the British authorities that they were involved in an attack on a concert are inaccurate and misleading."

The statement could mean that the couple had planned to attack the band's bus rather than the concert hall, which was well guarded. Police said yesterday, however, that the bus would also have been kept secure. Last night a police source said that the two names were thought to be known to the RUC. Scotland Yard detectives accepted the identification of the dead girl but were not prepared to take the IRA's word for the man.

Patricia Black is understood to have left her home in the Lenadoon area of Andersonstown, west Belfast, earlier this month to go to the Irish republic. One of four children, she was unemployed and said to be a loner. It was understood that relatives had never suspected she had any involvement with the IRA. The man named as the second dead bomber came from the Poleglass area on the outskirts of Belfast. Both were single.

Yesterday, the search continued of the area close to where the bomb exploded. An inquest on the dead couple is likely to be opened later in the week once post-mortem examinations have been held. Police are expected to issue photographs shortly to try to find the safehouse used by the bombers. They are also anxious to discover whether other members of an active service unit were seen with the couple.

There is still no evidence as to how the two got to St Albans, indicating that they might have been driven in by an accomplice, who fled after the premature blast.

● Peter Brooke, the Northern Ireland secretary, made clear yesterday that there were no preparations in progress for the reintroduction of internment of terrorist suspects without trial in the province. He said, however, that the government believed that internment should remain an option.

Police are accused over escape

SPECIAL Branch detectives helped to plan the escape of two IRA suspects from Brixton prison in an attempt to capture terrorists, a television report claims tonight.

A prison officer working as a police informant befriended Nessan Quinlivan and Pearse McAuley and suggested the escape to win their confidence and gain information, according to a Thames TV investigation. It was thought he was helping Staffordshire Special Branch to investigate the murder of a soldier at Lichfield station and the attempted assassination of Sir Peter Terry, former governor of Gibraltar, in September 1990.

The IRA suspects asked the informant for a gun and Staffordshire officers said they could provide one, possibly disguised, says the report. The Special Branch decided to abort the Brixton operation in February but five months later Quinlivan and McAuley successfully executed the escape plan.

The Thames Report programme claims the operation was carried out by Staffordshire police without the knowledge of the prison authorities, the Metropolitan Police Special Branch and Scotland Yard's anti-terrorist squad. The prison officer turned informant was transferred to a prison in the north of England but has been on sick leave since the escape and is living under police guard.

The report is to be raised in Parliament. Two Labour MPs, Tony Banks and Peter Archer, will ask the home secretary, Kenneth Baker, whether the Staffordshire operation "led directly or indirectly to the escape" and whether the IRA suspects had access to plans of the prison from the informant.

Hospitals reduce treatment target

By JILL SHERMAN, SOCIAL SERVICES CORRESPONDENT

MORE than one in four hospitals say they will have to reduce the number of patients they planned to treat this year in order to stay within budget, a survey finds today.

The survey, from the National Association of Health Authorities and Trusts (NAHA), is based on 184 hospitals, including trusts, and 100 health districts. It shows that most hospitals have treated more patients than they had contracted for in the first six months of the year and that, consequently, many expect to have to restrict operations to balance their books before next March.

Health authorities, however, expect to break even this year without taking extra measures, because most have not paid more to hospitals where the number of patients treated has risen above the numbers agreed in contracts.

The study, part of the association's annual autumn survey into health service financing, shows that 65 per cent of hospitals expect to take measures to save money before the end of the year, either

by doing fewer operations or becoming more efficient. Philip Hunt, NAHA director, said between a quarter and a third of hospitals said they would need to restrict activity, 50 per cent would need to find efficiency savings, about 16 per cent said they were trying to renegotiate contracts with health authorities, and a further 16 per cent said they were trying to negotiate extra work from GP fundholders.

At least 70 per cent of hospitals said they had experienced problems with contracts, mainly due to increased workload and difficulties with billing and payment procedures. However, Mr Hunt said the situation did not look as bad as in 1987-8, when the government gave an extra £100 million.

● An NHS Trust Federation survey today says that 83 per cent of NHS trusts expect to break even or underspend this year. Eight of the 49 trusts that responded out of 57 are expecting to overspend by about £3.3 million in total, with only one trust predicting service reductions.

Spitalfields group offers alternative

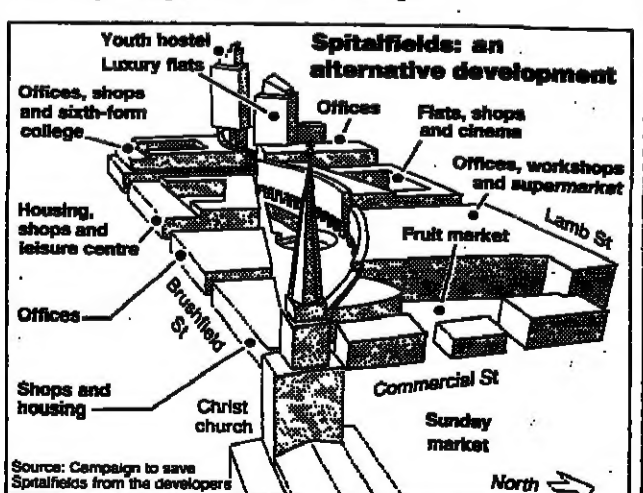
By MARCUS BINNEY

STRONG opposition has re-emerged to the proposals to develop the Spitalfields market site on the eastern fringe of the City of London.

The Campaign to Save Spitalfields from the Developers today opens an exhibition of alternative proposals, just as the Spitalfields Development Group, which owns the site, was hoping its latest planning applications to the City Corporation and

Tower Hamlets would have a clear run. Jill Cove, for the campaign, said: "People in the area need homes, shops, green and open spaces and workshops."

The developers' previous scheme was abandoned when Chris Patten, the environment secretary, announced an enquiry after representations from the Royal Fine Arts Commission and English Heritage.



Airlines see sense in looking a gift-horse in the mouth

By HARVEY ELLIOTT
AIR CORRESPONDENT

LEADING airlines have forced a change of heart over plans to cut landing charges at London's airports saying that they would prefer better facilities.

The Civil Aviation Authority had intended that landing fees at Heathrow and Gatwick should be reduced 8 per cent below the rate of inflation each year for the next five years. But after 20 airlines wrote calling for the airports' income be preserved, the authority amended its plans. Virgin Atlantic was typical, arguing that it would "rather pay the extra few hundred thousand pounds a year than risk seeing planned developments halted."

The authority, which had believed that the airlines wanted its

help in reducing costs was caught unawares by the strength of feeling.

"The authority is both disappointed and surprised at the reaction from the airlines," the CAA said yesterday as it unveiled a compromise which will enable BAA, formerly the British Airports Authority, to press ahead with plans for a fast rail link to Heathrow and eventually a fifth terminal.

"The general tenor of the responses was that the airlines were much more concerned about capacity being available at the right time than about airport charges," the CAA said in its official report into landing charges for the next five years. "Airlines have complained loudly and at length about the amount and incidence of airport charges in the London area but the

responses which the authority received in this consultation tell a different story. Getting capacity in the right place at the right time is seen as far more significant than getting a reduction in charges."

The compromise will cut charges by eight per cent below inflation for the next two years, then four per cent below for one year and one per cent below during the last two years. It will mean that next year, for example, the cost of landing a jumbo jet carrying 265 passengers and parking it for four hours at Heathrow in peak times, will fall by £192 to £4,599. Although this will save the 90 airlines which use London's main airports £12 million next year and £100 million in the five years under review, it is expected to have little impact on air

fares. By the end of five years the savings will be virtually nil.

BAA, which mounted an intensive campaign to woo airlines to its cause, and which yesterday announced better than expected half-yearly profits of £151 million, was cock-a-hoop. "This provides a basis on which to continue the profitable growth of BAA's airports and also recognises the ambitions of all sections of the aviation industry to provide world class airport facilities for our customers," Sir John Egan, its chief executive, said.

In spite of the CAA's change of heart, he said that BAA's costs would still have to be cut with another 1,400 staff, or 20 per cent of the workforce, being shed by the end of next year. The airports will also increase greatly the space for

shopping and other commercial activities to boost revenue.

The development of a new terminal will proceed only if its cost can be trimmed from an original £1.6 billion to £800 million, and further savings are being sought in the Paddington to Heathrow rail link.

"Our main focus will now be on increasing Heathrow's capacity because that is the airport that the airlines and their passengers want to use," Sir John said.

Work is likely to start within months on the Paddington to Heathrow rail link, which will take passengers to the airport in 16 minutes. Planning applications will be made "some time next year."

Profits down, page 22.

THE TIMES TUESDAY NOVEMBER 19 1991

Schools urged to identify exceptional children and help them to fulfil their potential

Fast streams suggested for gifted pupils

By DAVID TYTLER, EDUCATION EDITOR

GIFTED children have been ignored by mainstream schools which must learn how to identify them and then teach them appropriately, an independent schools' conference was told yesterday.

Edward Chitham, educational consultant to the National Association of Gifted Children, told the London conference that teachers could use a check-list of characteristics to identify gifted children.

He told the conference organised by the Independent Schools' Joint Council: "Once we are able to identify a gifted child it is possible to change the way that child is taught in order to maximise their learning potential." The two main teaching methods for the gifted used in ordinary schools are to offer more material than the rest of the class, or to give them more advanced work beyond the general ability of the class.

Dr Chitham said that many high ability children learn very quickly and inevitably become bored if they moved slowly, so it was important to set learning at the pace of the child, perhaps moving them to a more senior class. He said, however, that this should be done with care as it sometimes hindered social development.

He said that gifted children had most, if not all, of the following characteristics: superior reasoning powers; a logical approach to problems; the ability to memorise quickly, sometimes showing amazing powers of memory; the ability to learn easily, possibly having learnt to read early, sometimes before three; the use of a wide vocabulary and complex sentences; the ability to work

independently and effectively; creative flair, style, imagination; the ability to be inventive in design and construction; and achieved high scores in intelligence tests.

They may also be highly inquisitive with a wide range of interests, become very absorbed in the task of the moment, be mature for their age and have a well developed sense of humour.

On the down-side, a gifted child may be: indecisive, bored, inattentive and careless in basic subjects; show evidence of nervous strain, be unsocial, talk a lot, be unable to put things down on paper, have problems with spelling and writing, and sometimes appear cheeky to adults and unable to recognise the difference in status.

Children with high abilities often fall into different categories. They may show high potential but are under-achieving in relation to their high IQ, or they may have isolated intellectual or other skills, such as sport, art, music and drama. The child whose academic attainments match their exceptional ability is generally regarded as gifted.

One of the biggest collections of bright children in Britain can be found in a small school in south London where the average intelligence quotient is 30 points above the national average of 100. The dividing line for grammar school education is usually 120. James Cusell, the head of Newton Prep School, in Battersea, said that some of the 76 children were "in the stratosphere, well off the top of the normal scale of measurements". Early reading is one of the most reliable



Child's play: Chantelle Naraine, left, and Jade Eden, both aged five, experiment with a computer at Newton Prep School in south London

signs of a gifted child and Mr Cusell described four of his pupils as "spontaneous readers who had never been taught to read".

The school is owned by Farouk Walji, a London businessman who runs a textile business and a chain of

chemist shops. Dr Walji bought the former secondary school for £950,000, spending another £350,000 on modernisation.

An educational trust has been set up to provide bursaries and scholarships for 18 children to attend the co-

educational school, where fees are £650 a term for the morning nursery, £1,100 full-time, £1,145 for children aged four to eight, and £1,350 for eight to 13-year-olds.

Mr Cusell expects the numbers to rise to 110 in January and 250 in September. He

said: "There are two essentials in dealing with gifted children. You must have bright teachers, and not just in their academic qualifications, and small classes. These children need teachers who match them and a teacher who is not suitably qualified can feel

threatened by them. "Bright children need a lot of attention and demand a lot and if they don't get it become frustrated and all sorts of behavioural difficulties begin to show themselves."

Letters, page 15

Trust seeks mansion sale to the state

By JOHN YOUNG

THE National Trust has urged the government not to allow Heveningham Hall, Suffolk, to be "put at risk" again by a sale on the open market.

Lord Chorley, the trust's chairman, has written to Michael Heseltine, the environment secretary, asking him to exercise his option to repurchase the property. The house, listed Grade I and regarded as one of the most important neo-classical mansions in Britain, was owned by the government between 1970 and 1981 and managed by the trust for part of that time.

In 1981 it was sold to I D Investments of Geneva, owned by an Iraqi businessman Abdul Amir Al Ghazali, who died last March. The company went into receivership in September, and the government has until December 11 to exercise its option, failing which it will be put up for sale by the receiver.

In his letter Lord Chorley said that English Heritage and the National Trust had the skills and experience to repair the damage to the house, and to ensure public benefit.

Lawyers call for appeals shake-up

By FRANCES GIBB, LEGAL AFFAIRS CORRESPONDENT

THE job of granting leave to appeal against a crown court conviction should be taken from judges and given to a new independent review body with lay members, the Law Society proposed yesterday.

The society also suggested that the Crown Prosecution Service take over from the police the task of deciding whether a suspect should be cautioned or charged, that procedures at the custody officer's desk in a police station be filmed to ensure compliance with the Police and Criminal Evidence Act 1984, and that a suspect be allowed to waive the right to legal advice only after speaking to a solicitor.

The suggestions are among 123 proposed reforms in a 115-page dossier to the Royal

Commission on Criminal Justice under Lord Runciman of Doxford.

On appeals, the society says that the present system, in which cases are first dealt with by a single judge or the Court of Appeal, lacks public confidence. Many members of the public believe that the appeal court demonstrates neither enough interest in miscarriages of justice nor the ability to discover them and deal quickly with applications for leave to appeal.

Leave to appeal should be considered by an independent review body, comprising legal and lay members, appointed by a parliamentary committee and reporting directly to Parliament, the society says. The review body would employ a panel of rapporteurs. All appeals against conviction in the crown court could be considered first by a rapporteur, who would advise the review body whether or not to grant leave to appeal.

Charles Elly, chairman of the committee which drew up the submission, said: "The Law Society sees the importance of ensuring that guilty people are convicted, but it is even more important that the innocent should go free and that miscarriages of justice are put right quickly."



Runciman: sent dossier of proposed legal reforms

Law Times, pages 29-31

Water sources to be protected

By MICHAEL MCCARTHY, ENVIRONMENT CORRESPONDENT

ALL underground water supplies in England and Wales are to be mapped according to their vulnerability as the first step in a national policy to protect them from pollution.

The National Rivers Authority (NRA) is to identify "protection zones" around hundreds of groundwater sources such as springs, wells and boreholes, in which it will encourage farmers, waste disposal contractors, developers and planning authorities to restrict activities that could contaminate supplies.

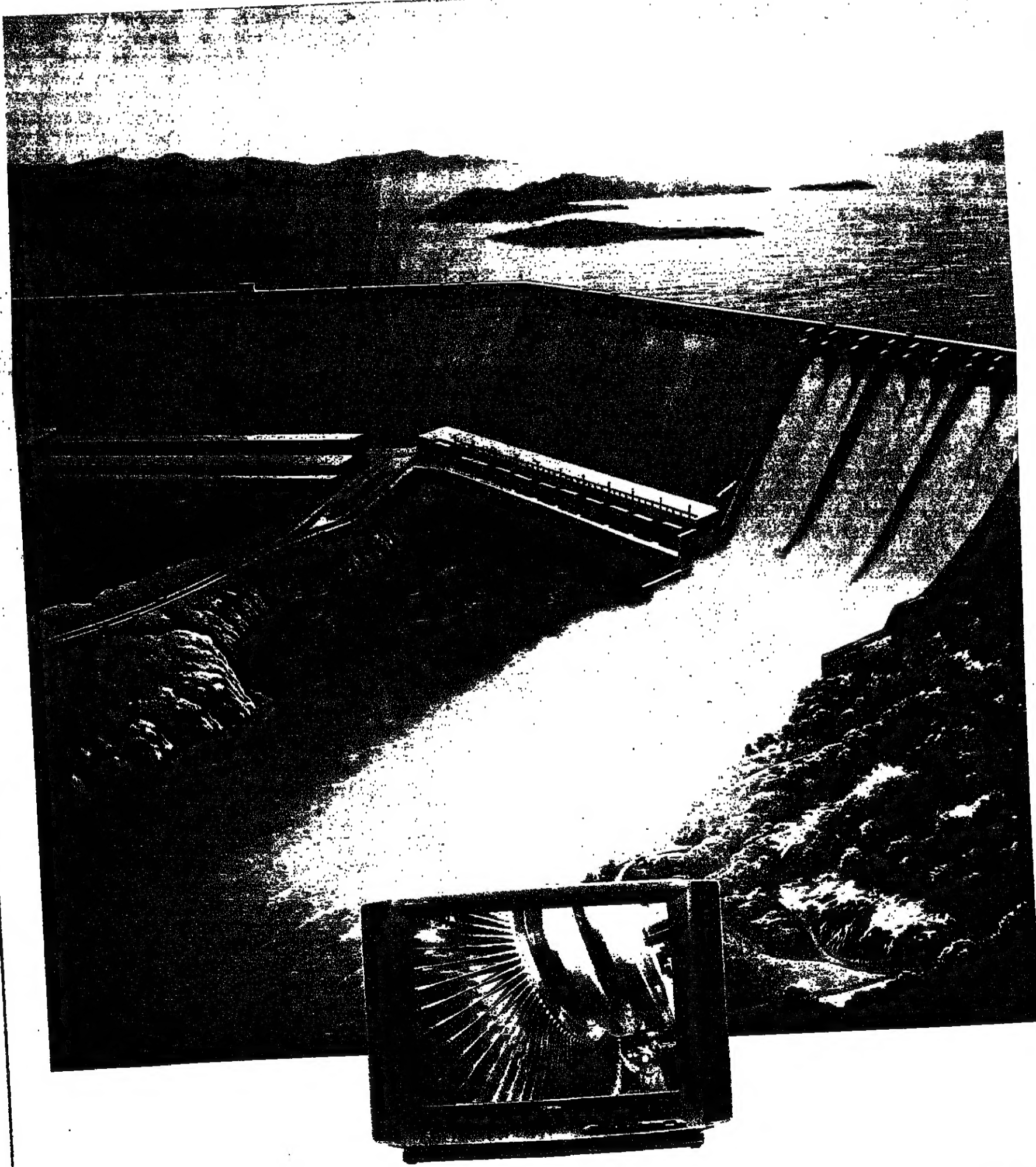
On land closest to the sources, that could mean restrictions on the storage of chemicals, intensive livestock housing or the use of chemical sprays. However, if the voluntary approach proves insufficient, the au-

thority may seek to make the zones statutory areas in which developments could be banned automatically.

Draconian measures may be necessary because of the growing threat to groundwater supplies, which have never been protected by any nationally co-ordinated policy. Yesterday such a policy was outlined in an NRA consultation document.

The National Farmers' Union, the Confederation of British Industry, local authorities and other interested bodies will be asked to comment by January 31.

Policy and Practice for the Protection of Groundwater (available from Regional Catchment Manager, NRA, Severn Trent Region, Sap-phire East, 550 Streetsbrook Road, Solihull B91 1QT).



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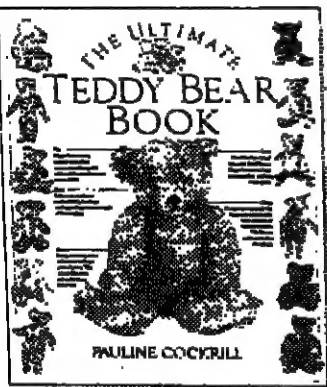
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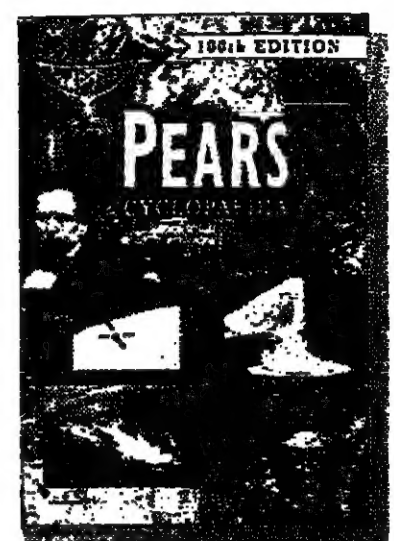
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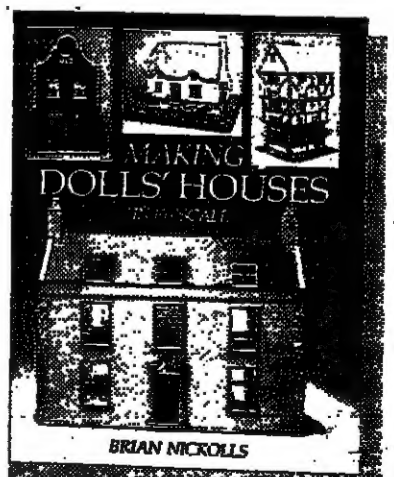
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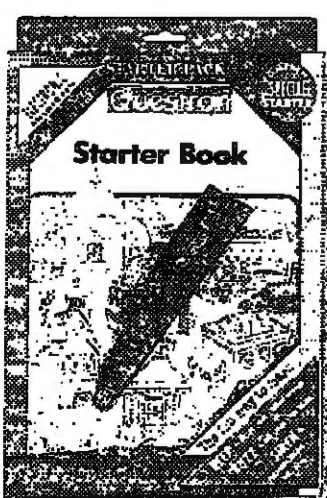
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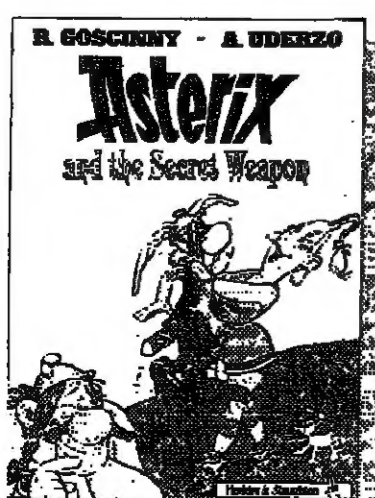
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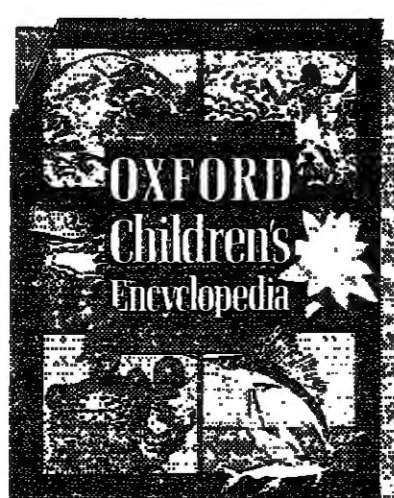
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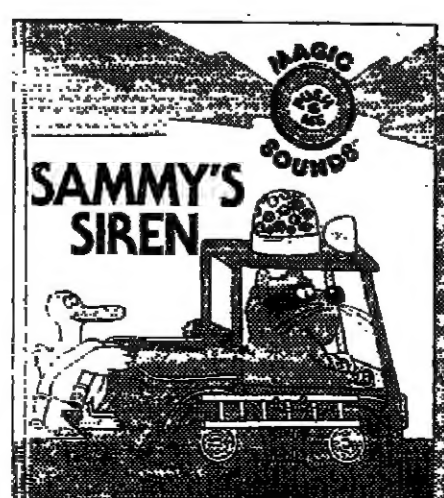
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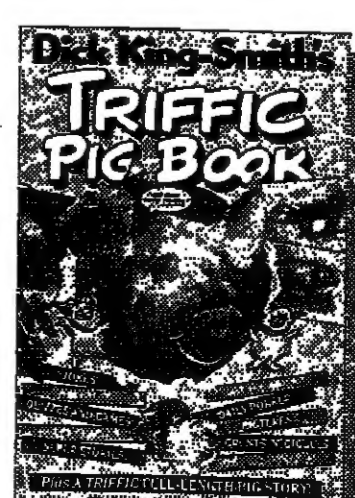
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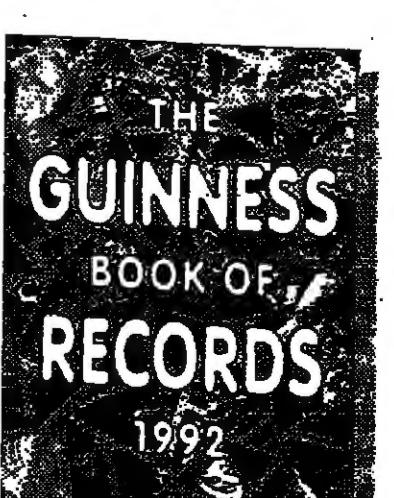
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Big obstacles still in path of EC pact, say ministers

By PHILIP WEBSTER, CHIEF POLITICAL CORRESPONDENT

SENIOR ministers believe there are serious obstacles in the way of John Major's signing a European Community treaty on political union at Maastricht next month.

The possibility of Mr Major's agreeing to the proposed treaty on economic and monetary union while declining to sign the political treaty is being countenanced in Whitehall, even though Germany is insisting that the two must go together. Difficulties remain to be resolved on proposals for an extension in the competence of the EC to cover social policy and immigration.

chancellor, said last week that failure to agree on a substantial treaty on political union would be "catastrophic for the development of Europe". British government sources are unsure whether the German government would hold to that line and risk throwing away a likely agreement on an economic treaty paving the way for the eventual adoption of a single currency. "We may not know that until Maastricht gets under way," a senior minister said yesterday. Conservative Euro-sceptics were expected last night to table an amendment calling for a referendum on Europe

before Parliament ratifies the Maastricht treaties.

As they considered their tactics for the two-day Commons debate on the EC, Neil Kinnock tabled Labour's amendment, which accepts the goal of economic and monetary union and a single currency, and calls on the government to adopt economic policies that would make the changes a success.

In a move designed to underline what it claims to be a more positive approach to the Maastricht negotiations, Labour calls on the government to work for an agreement that ensures the full inclusion of the social charter and an extension of majority voting to social and environmental matters.

In its key passage, expected to be opposed by its own anti-marketisers, the amendment accepts that there will be a single currency. It describes real economic convergence as an "essential foundation" for the success of such a change. The amendment calls on the government therefore to work to achieve policies for high levels of employment and sustainable non-inflationary growth.

The European debate promises to be the best attended in recent years. The government has decided to extend it by two hours until midnight tomorrow, the first day, because so many MPs want to speak.

Senior Tory sceptics are continuing to say that a decision not to vote against the government on Thursday night should not be taken as assent for anything that comes out of Maastricht. Norman Tebbit, who has yet to decide how to vote, has told friends that he hopes that Mr Major will return from Maastricht empty-handed, having refused to sign any treaty. He and others on the right will be listening carefully to Mr Major's speech before deciding how to cast their vote.

Justin Brett, of Exeter College, said: "It is a fallacy that people go to the debates to make up their minds. They have already made up their minds before they come."

Roy Hattersley, page 14

OXFORD UNION DEBATE

Tebbit and Heath enter the ring

By JAMIE DETTMER

Tebbit vs Heath posters around Oxford proclaimed last night's event in a style more akin to a boxing bout than a debate. Not even the advertising campaign for the city's Christmas spectacular of *Scrooge On Ice* could compete with the promotional effort behind the Oxford Union debate on the EC.

In the Euro corner, Edward "Silver Hair" Heath, in the British bulldog corner, the Chingford Slasher, Norman "Polecat" Tebbit.

The union has witnessed several celebrated debates in its 168-year history, but much of its history would pass you by if you relied on present students. Yesterday, most were at a loss to think of a previous debate that compared in importance with the night's encounter.

house believes that the proposed European union offers little value to the United Kingdom, had many supporters among those studying in the library or discussing in the bar the usual student preoccupations of essays, parties, and love. "I think you will find that the type of student who spends a lot of time in the union will be anti-European," Angela Brown, a Somerville Euro-enthusiast, said. "Pro-Europeans seem a bit apathetic." Would she be going to the debate? "Oh no, I've got an essay to write on Alexander the Great."

Justin Brett, of Exeter College, said: "It is a fallacy that people go to the debates to make up their minds. They have already made up their minds before they come."

Customers of privatised firms 'to get better deal'

By ROBERT MORGAN AND PHILIP WEBSTER

A BETTER deal for the 25 million customers of the former nationalised industries was promised by Peter Lilley, the trade and industry secretary, in the Commons last night when he moved the second reading of the competition and service (utilities) bill.

He said that the bill extended the powers of regulators to set standards for the telecommunications, water, gas and electricity industries, and customers would know what those standards were.

The bill fulfilled a commitment in the citizen's charter to strengthen the position of customers. It put the customer first by extending competition and by extending the powers of the regulators where monopoly remained.

The bill had been welcomed by almost everybody except the Labour party. But its opposition was not surprising. Labour had never been the friend of the customer. It had always backed the producer's interest against the consumer's. It loathed competition, it had been the midwife of monopoly and it was nostalgic for nationalisation.

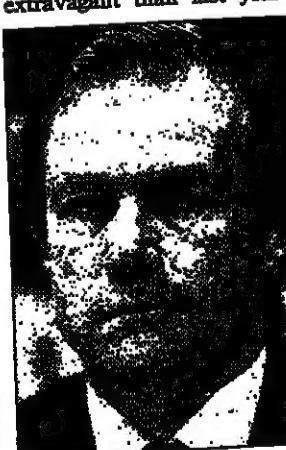
He said that since privatisation, BT's waiting lists were non-existent and electricity and gas disconnections had shown a marked fall. Gas prices were down in real terms and about to fall further. "The Labour party wants to go back to nationalisation; we intend to build on the success of privatisation." Under na-

tionalisation there were no regulators and no one was specifically charged to protect the consumer.

Labour's pledge: Powers for the privatised utility regulators to cut prices where they consider pay rises for executives to be excessive were promised yesterday by the Labour leadership.

A new system of ombudsmen for the gas, water, electricity and telecommunications industries with powers to settle disputes, resolve compensation, and impose penalty fines, and a new Commons select committee to question utility bosses, were also unveiled by Labour.

Gordon Brown, shadow trade and industry secretary, said that boardroom excesses were worsening, with salary awards for 1991-2 even more extravagant than last year's.



Lilley: regulators' powers to be extended

"Far from listening to public opinion, privatised boardroom directors have contemptuously ignored it and awarded themselves even bigger cash rises," he said.

Mr Brown cited the case of Iain Vallance, the BT chairman, awarded a £64,000 rise in basic pay, with provision for up to £175,000 in bonus payments, and share options that could be cashed in for £700,000.

The Labour survey also mentioned other rises, including a £30,000 increase, or 15 per cent, for the chief executive of PowerGen; £60,000, or 21.4 per cent, extra for the chairman of British Gas; and a £22,500 rise, or 37 per cent, for the chairman of the Northumbria water company.

Mr Brown said that under Labour's plans the four regulators would be brought together in a consumer protection commission. They would be able to impose price cuts where boardroom excesses and excess profits were considered to be unjustifiable. The regulator would not be able to order salary cuts, but by recommending cuts in prices "he would force the issue with the boardroom itself", Mr Brown said.

There would be a parliamentary committee on consumer affairs with Senate-style powers to hold public hearings and call service providers to account for their actions and policies. The ombudsmen, Mr Brown said, would be independent consumer champions.

Waldegrave in the hot seat

By SHEILA GUNN, POLITICAL CORRESPONDENT

THE Commons privileges committee is preparing to question William Waldegrave, his aide, Ian Taylor, and the Tory MP, Jerry Hayes, about their involvement in the leak of a confidential committee report criticising the health reforms.

The committee meets privately today to launch its investigation into the affair and determine whether Mr Waldegrave, Mr Taylor or Mr Hayes seriously breached parliamentary rules. Mr Hayes, Tory MP for Harlow, resigned from the health committee this month after stating that

his researcher had leaked a confidential draft of a committee report to Mr Taylor, MP for Esher, and Mr Waldegrave's parliamentary private secretary. The unnamed researcher has since returned to America.

The privileges committee is likely to summon the researcher as well as the MPs to find out the circumstances surrounding the leak. If Mr Hayes is found guilty of a contempt of the House, he could be severely disciplined or even suspended from the Commons. Labour has already called for Mr Taylor to

resign as Mr Waldegrave's aide for his receipt of the leaked report.

The report, drafted by the health committee chairman Nicholas Winterton, had contained 17 pages critical of the financial plans for setting up the first wave of national health service trust hospitals and called for new applications to be delayed. Later, the pages were deleted by the Tory majority on the committee.

Mr Waldegrave has said that he did not see the leaked document which Mr Taylor passed on to officials of the health department.



Rising star: Virginia Bottomley going up by hoist yesterday to paint in the "£20 million raised" mark on the Royal Marsden Hospital's cancer appeal sign

New competition push aims for savings of £5bn

By RICHARD FORD, POLITICAL CORRESPONDENT

MINISTERS are aiming to achieve savings of £5 billion in the cost of central government services under plans to increase competition throughout Whitehall and its agencies.

The estimated savings from the £20 billion cost of running government are expected to come from a drive to encourage more services in Whitehall to be put out for competitive tendering. The move will also mean that an increasing number of the country's 600,000 civil servants, in particular white-collar workers, will find their jobs tested against competition from the private sector.

Further, the government is planning to require local authorities' core services such as legal and finance departments to be opened to competition, although that will require legislation in the next parliament.

Under proposals outlined in a white paper published yesterday, the government intends to extend vastly the amount of services put out to competitive tendering as a way of saving billions and improving efficiency in central government. The white paper lists areas being considered for contracting out, including the fisheries surveillance which is provided by the Royal Navy at a cost of £5.4 million a year to the fisheries ministry.

Other candidates for contracting out include the Royal Marines amphibious training,

electronic warfare training for all three services, the management of approved hostels, the electronic monitoring of curfew orders and the maintenance of court houses in Scotland. The paper, produced as part of the government's overall citizen's charter proposals, lists plans for all government departments, with the conspicuous absence of any from 10 Downing Street.

Francis Maude, the financial secretary, said that savings of 25 per cent had been achieved through existing contracting out of government services. "Competition will now apply over more services and much more widely and savings will accrue from that."

The white paper, *Competing for Quality*, outlines initiatives in which government departments and agencies will have to set targets for services that should be considered for contracting out to the private sector. Private industry will help Whitehall and the agencies set up under the Next Steps programme to identify areas that should face the tendering process.

A public competition and purchasing unit, based in the Treasury, is to be created to promote the initiative to bring greater efficiency to the supply of government services. A key part of the programme will be for civil servants to identify the cost of providing services in house which at present are often obscured behind the global overhead costs figure.

AROUND THE LOBBY

Remands cost £53.5m

Keeping a prisoner in police cells costs about £221 a day and 1,640 prisoners were in police custody at the end of last week, Angela Rumbold, Home Office minister, said in written replies.

In the past financial year it cost £53.5 million to keep prisoners in police cells. If they had been detained in prison accommodation the cost would have been £14.8 million.

Bank blamed

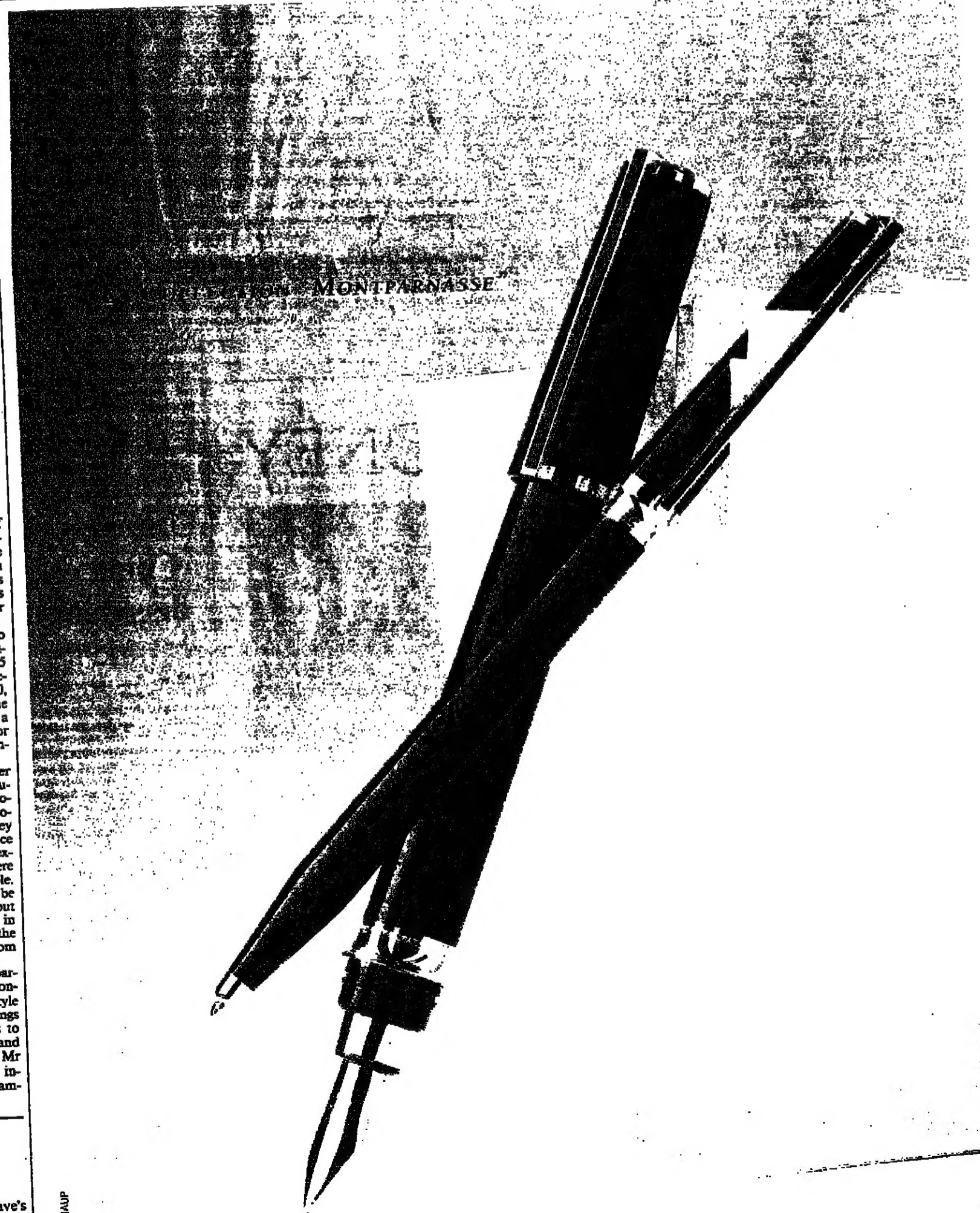
The government is sidestepping complaints about the new £20 note. "I have received a number of letters concerning the size of the new £20 note," John Maples, the economic secretary, said in a written reply. But, he added, that was the Bank of England's concern.

Up in smoke

The government expects to raise about £6.1 billion in tobacco duties this financial year, Gillian Shepherd, Treasury minister, said.

Parliament today

Commons (2.30): Questions; Defence; prime minister. Education (schools) bill, second reading. Lords (2.30): Charities bill, second reading.



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Moi party demands expulsion of envoys

From SAM KILEY IN NAIROBI

KENYA'S relations with most of its most important foreign aid donors plunged yesterday after the ruling party, Kanu, called for the expulsion of ten foreign diplomats, mostly from the United States, for "aiding dissidents".

Ndolo Ayah, the minister for foreign affairs and international co-operation, who is usually considered a moderate, also launched a bitter personal attack on Smith Hempstone, the American ambassador to Nairobi, accusing him of being a "racist slave-owner with contempt for Africans". He berated six other envoys for "failing to observe normal diplomatic behaviour".

Mr Ayah said that, while his government had no bone to pick with the American government, he would leave it up to "the conscience of the

ambassador to Kenya as to whether he wishes to remain in the country". The attack follows allegations by Kenya that members of the American mission were with dissident leaders who were arrested on their way to a pro-democracy rally in Nairobi last Saturday.

President Moi's one-party government has always reacted badly to international criticism but public protests from the Swedish, British, German and American governments over the arrest of pro-democracy leaders last week appeared to have stung especially badly. "We welcome criticism and advice from foreign countries but it must be through the normal diplomatic channels," Mr Ayah said.

Relations with Germany have also soured as Bernd Mützelburg, its ambassador to

Kenya, delivered a "very strong protest to Nairobi over the treatment of political opponents" before being recalled to Bonn to report to his government over accusations that German diplomats have also been involved in encouraging the pro-democracy movement in Kenya.

Mr Hempstone said after meeting Kenyan leaders yesterday that, in the week before the world's biggest aid donors discuss future policy at the Paris Club, "to say the Kenyan government lacks public relations skills would be an understatement". The United States is Kenya's second largest donor with more than \$40 million (£22 million) in aid a year.

Last week, all the leaders of the Forum for the Restoration of Democracy were arrested and charged with offences under the public order act for attempting to organise a pro-democracy rally. Mr Ayah said that Mr Hempstone had been personally involved in this and other pro-democracy activities but refused to reveal his evidence.

Mr Hempstone responded to the attack by asking: "Who is a racist? A person who says that Kenyans are mature enough to handle multiparty government or someone who says they are so primitive they cannot do so?"

Kenya's international reputation as an African success story took a further knock yesterday at the inquest into the death of Mr Ayah's predecessor, Robert Ouko, who was murdered last year. John Troon, the retired Scotland Yard detective superintendent drafted in to head the investigation into the murder of the popular foreign minister by President Moi, astonished the inquiry by stating that the prime suspects in the murder are Nicholas Biwot, the Kenyan industry minister, and Hekikah Oyugi, the former internal security chief who has since been moved to be the chairman of General Motors in Kenya.

"I cannot rule out either of these two gentlemen or eliminate them from the murder of Ouko. They are my principal suspects," declared Mr Troon, who has already told the inquiry that he believes Ouko was murdered because of his opposition to corruption among colleagues in the government.



Husband's concern: Bob Hawke, the Australian prime minister, with his wife Hazel, as she entered St Vincent's private hospital in Sydney yesterday. After exploratory surgery, doctors declared Mrs Hawke, aged 62, free of cancer.

Indonesians accused of second Timor massacre

By DAVID WATTS, DIPLOMATIC CORRESPONDENT

INDONESIAN troops reportedly have shot up to 80 civilian prisoners in a new massacre in East Timor. This brings to at least 260 the number of civilian deaths at the hands of the army in less than a week in the former Portuguese territory.

According to a witness who relayed the information to London, the prisoners were ordered to strip and their hands and feet were bound before they were taken out of Dili, the capital, on lorries from the military headquarters. The prisoners were covered with a large canvas. According to the same source, they were taken to a place outside Dili previously used

for executions. There they were moved to the edge of freshly dug ditches and mown down by machinegun fire.

The killings were carried out by the 700th and 744th battalions of the Hasanuddin division based in South Sulawesi, reckoned to be among the toughest units in the Indonesian army. The troops were hooded so as not to be recognised.

It appears likely that those shot were killed because they had been witnesses to the mass killing at Dili cemetery in Santa Cruz last Tuesday. Most of them were rounded up either at the funeral or in the cemetery afterwards, and would therefore be seen by the Indonesians as being sympathetic to the cause of an independent East Timor. Indonesia invaded and annexed the territory in 1976 after Portugal, the former colonial power, lost interest in the territory following its revolution of 1975.

At least 180 people were killed last Tuesday when the

Indonesian army opened fire on mourners at a funeral in Dili. One report claims a further 296 people are in prisons or military hospitals as a result of that incident. The army says 19 were killed.

The military in Jakarta has denied the new massacre, which comes at a particularly embarrassing time for the Jakarta government. Indonesia has been hoping that Ali Alatas, its foreign minister, might be a contender for the post of secretary-general of the United Nations.

A representative in Melbourne of the Fretilin independence movement said he had received telephone reports that Indonesian troops were searching for eye-witnesses to eliminate them before the start of a government enquiry. The investigation has brought adverse comment from abroad since it has been put in the hands of the armed forces strategic intelligence agency, Bais, which normally looks into "subversive" activities.

Bonfire of West Coast's vanity

From CHARLES BRENNER IN NEW YORK

When a storm tore up the northeast coast a couple of weeks ago and laid waste to hundreds of houses including President Bush's, nobody suggested that the locals had made a pact with the devil. But an equivalent catastrophe in California, last month's bushfires, has sparked a paroxysm of moralising about the punishment of human vanity.

California-bashing, always a favourite sport for the rest of America, has reached a level not seen for years. Many believe that all the new talk of Californian apocalypse says more about the morose mood of the rest of the country than it reflects reality in the golden state.

"California cannot have a simple disaster," said a commentator in the *Los Angeles Times*. "There must be, somewhere, a meaning to each flood, each fire, each earthquake. And that meaning, one way or another, has to do with doom."

For the East Coast, mired in recession and shivering from the onset of winter, the Oakland fires were a heaven-sent chance to prove once and for all that, aside from the endless summer, swimming pools and general prosperity, California is really hell. Man, it is said, has ignored the folly of engineering an artificial paradise out of a region of fragile and hostile nature. Now nature is rising up and smiting back.

There is, it must be admitted, some material for the thesis. For example, when the earthquake hit San Francisco two years ago, Jeremy Lerner, a local poet, described the promised land as the "skin of an enormous egg, with infinite curve but no thickness so fingers of shock reach up". Last month, the fires in the Oakland hills burnt down Mr Lerner's house.

Californians, tired of the condescension of East Coasters, are hitting back, pointing to greater violence and economic depression there. "Why is this state singled out?" asked the editor of the *Sacramento Bee*. "Does *The New York Times* talk about their disasters in apocalyptic terms every other week and sometimes twice on weekends?"

Economy ties Shamir's hands

Jerusalem - Israel's economic difficulties may reach critical proportions unless it can better meet the needs for housing and employment of thousands of Jewish immigrants (Richard Beeston writes).

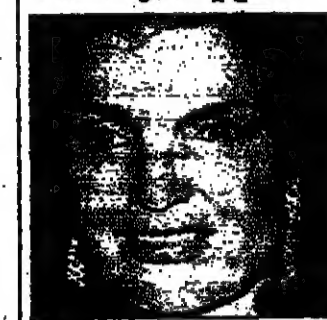
According to two senior ministers in the right-wing coalition government, neither issue is being dealt with adequately. The current record unemployment, figures could double in the coming year and all government housing construction could come to a halt by next week.

The economic situation and Israel's need for more foreign aid have figured prominently during the tour of America by Yitzhak Shamir, the Israeli prime minister.

In addition to annual US military and economic aid of \$3 billion (£1.67 billion), Israel has requested \$10 billion in loan guarantees to help immigrant absorption. The request was delayed 120 days by the Bush administration in September, and the White House has already hinted that it will again block the guarantee request when it comes up again in January unless Israel halts its expansion of Jewish settlements in the occupied territories.

So far, Mr Shamir has steadfastly refused to accept any link between immigration and settlements.

Family support



West Palm Beach, Florida - Jacqueline Kennedy Onassis, above, the former American first lady, who will attend the rape trial of her nephew, William Kennedy Smith, according to press reports. Jury selection has resumed with John Kennedy Jr, his cousin, attending. Mr Smith is charged with raping a woman at the family's estate. (AP)

Game of name

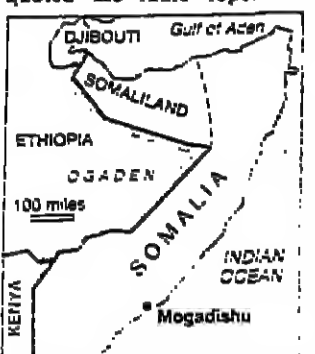
Peking - A new bid for Chinese students to give themselves English names such as Bush and Tyrone is causing teachers to worry over "withering of character, enslavement of spirit and worship of things foreign, which might affect the tone of society", according to Shanghai's *Youth Post*. (Reuters)

Clan rival topples Somali president

From A CORRESPONDENT IN NAIROBI

THE president of Somalia has been overthrown by a rival clan leader, sources quoted the nation's official radio as saying yesterday. President Ali Mahdi Muhammad was reported to have fled the capital, Mogadishu.

The report could not be immediately confirmed. The sources, who include diplomats and aid workers, quoted the radio report as



saying that General Muhammad Farrah Aidid had toppled President Ali Mahdi, who has ruled the former British protectorate for ten months.

The report follows two days of fighting in Mogadishu between tribal factions of the ruling United Somali Congress that overthrew President Mohamed Siad Barre in Janu-

ary. Sources said that the Italian embassy had been sacked but the 12 diplomats there had found refuge with the medical charity, Médecins sans Frontières.

Diplomats say that up to 20,000 people were killed in street battles in January that ended General Siad Barre's 21-year rule. Since then, the government has failed to extend its control beyond the capital, and Somalia's southern region remains riven by tribal feuds.

Earlier yesterday, sources said fighting broke out on Sunday between forces loyal to President Ali Mahdi and those of General Aidid, chairman of the ruling party and a member of the Habar Gedir tribal clan. By yesterday the fighting had moved to areas controlled by President Ali Mahdi's faction, including the state radio, the sources said.

President Ali Mahdi, of the Abagal tribal clan, had tried to assert his authority in Mogadishu on Friday by moving heavy artillery, armoured cars and troops into key positions that encroached on territory controlled by General Aidid's forces. Artillery and mortar attacks erupted around Mogadishu.

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US presses China on dissidents

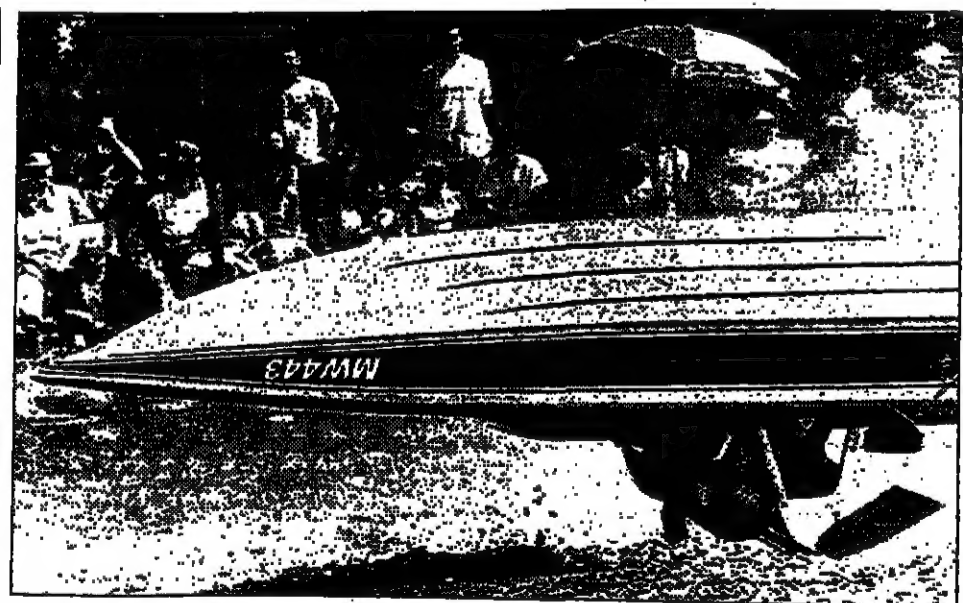
From CATHERINE SAMPSON IN PEKING

THE American ambassador in Peking yesterday asked China to explain its detention of two dissidents invited to meet James Baker, the Secretary of State, to discuss human rights. "The embassy will be making every effort to find out what happened," said a spokesman for Stapleton Roy, the ambassador. The detentions soured Mr Baker's weekend visit, which had been aimed at gaining concessions from the Peking regime on rights.

The Chinese foreign ministry said reports that Dai Qing, a journalist, had been arrested on Saturday were "sheer fabrication". But the spokesman did not deny that she had been held in police custody. He said she was now free, but last night there was no confirmation. The ministry issued no statement on the detention of Hou Xiaotian, the wife of a political prisoner, Wang Juntao, who was taken from her home by police at 1am on Saturday and was released an hour after Mr Baker left Peking.

The ministry said "generally speaking, Baker's visit was successful". In propaganda terms, the trip bestowed the seal of international respectability on China without its leaders being seen to make any concessions. In contrast, Mr Baker - the highest-ranking US official to visit Peking since the violent suppression of the pro-democracy movement in 1989 - went away with virtually nothing.

Peking appears to have decided to risk sacrificing the hard currency which good relations would bring on the altar of China's "socialist road". Leaders are concerned that if they make concessions on human rights, the floodgates of dissent would open.



Down under: a powerboat crewed by Mike Woodger and Chris Paddon turns turtle during a sprint race at Wangaratta in Victoria, Australia. They walked away unhurt

Eunuch finds maternal instinct

From CHRISTOPHER THOMAS IN DELHI

AYESHA, at 18 months, is the pride of the eunuchs of Old Delhi. She lives down a back alley of a teeming Muslim quarter, where gaily painted men in saris and gold bangles fuss around her. These shy, persecuted people are the only family she will ever know.

Mona Ahmed, aged 54, who became a eunuch as a teenager after a back-street castration, has legally gained custody of the child after taking her from a poor woman. A huge celebration marked the baby's first birthday, transforming the fetid lanes where Ayesha lives into a riot of feasting, dancing and singing.

Mona refers to herself as "mother", and the baby cries when he is out of sight. Other eunuchs nurse the girl when he works his territory of Lajpat Nagar, a middle-class area of New Delhi, where a network of washermen and sweepers keep him up-to-

date with news of newborn babies and forthcoming marriages.

Births and weddings provide the eunuchs' living: they sing and dance and bestow good luck on the occasions. To turn away a ill-fortune. Earnings are handed over to the head eunuch of each household, who takes the title "guru".

At the tiny house where Mona and his baby live, a eunuch is presently visiting from Pakistan, Sona Guru, who heads a household in Lahore, says eunuchs in Pakistan have higher status than in India, and live much more prosperously. He says there are only 3,000 of them there, whereas there are huge numbers in India. "I have air conditioning, a car, a telephone and servants."

He said he had been born a eunuch and had not required castration, giving him a special status in the eunuch

community. "Until I was 14 or 15 my parents tried to dignise the fact that I was not a complete male. But I looked so effeminate they could not deny it any longer. That is when I left home. I never saw my family again until after my father died, because I did not want to disgrace him any more."

He is an old friend of Mona, who is hysterical. He is clapping his hands and wailing loudly after a dispute with neighbours over a blocked drain. Other eunuchs gather about the baby, fussing and crying together. Ayesha looks on quizzically, until toddling off to find a toy.

Mona says that at three she will start to learn English, French, Arabic and Persian. He wants her to know the Koran by heart and to become a Qawwali singer of holy texts. He plans to send her to an expensive all-girls school.

Free marketeers arrest Gorbachev in a very economic coup



Yeltsin: staged lightning takeover of finances

IN AUGUST, President Gorbachev fell victim to a political coup. He clung to power, but much of his political authority was lost. This month, Mr Gorbachev has fallen victim to an economic coup, invisible, inaudible, but no less damaging. This time the conspirators are not the hardliners, but Russia's free market economists. They have cut off the president's lifelines no less successfully than the KGB cut off his communications in the Crimea, and probably for good.

Three weeks ago, Boris Yeltsin announced that Russia would embark on "market reforms in one step". When the Russian president tried to do the same last year, the only result was a constant and unresolved tussle between the republic and the centre. This year, Russia has used declining domestic and international confidence in the centre to accomplish a lightning takeover of most of its financial functions. In a singular triumph, it

Hard on the heels of the Communist hardliners come Russia's capitalists. Mary Dejevsky reports from Moscow how the Yeltsin revolutionaries have tied up the Soviet leader

has also persuaded three other republics — Belorussia, the Ukraine and Kazakhstan — to join Russia in renouncing the mediation of the centre in future credit negotiations. The old centre, according to their joint declaration, was no longer authorised to represent their interests.

Russia's moves have deprived Mr Gorbachev and the old centre of much more than the buildings that have been physically seized. The union's financial system is paralysed and close to bankruptcy.

For more than two weeks President Gorbachev has been unable to persuade his parliament to approve further credits for the central budget.

If the money required to run central institutions until the end of the year is not forthcoming, President Gorbachev has two options: he can authorise the release of extra money without parliament's approval (a move of dubious constitutionality), or he can admit defeat and leave the remaining central institutions to the mercy of the republics.

Something like the second option already seems to be in progress. Mr Gorbachev was compelled last week to accept the concept of a "confederation" — the loosest structure — for a future union. He does not have the option of printing more money. The mints belong to Russia. His ability to raise further credits abroad

has been undermined by the declaration of the four republics that they will not be bound by new obligations.

There was a widespread belief that even when President Gorbachev had nothing else left, he would still control three vital levers: the convertible currency reserves, the army, and the KGB. Even these, however, are looking shaky.

The liquidity of the central state bank and the foreign economic bank, Vnesheconombank, which has a monopoly on convertible currency deals is uncertain. Ten days ago, an official of Vnesheconombank said that it was running out of money. On Saturday, the state bank was reported to have no gold stocks. It transpires that the gold is being held centrally — under the joint guardianship of the Soviet and Russian presidents — until its division between the republics has been agreed.

The army is a largely unknown

quantity. Ten days ago, President Gorbachev appeared to control the interior ministry forces, at least to the extent of not placing them at Mr Yeltsin's disposal to restore Russian rule in the northern Caucasus. Holding an army back and deploying it, however, are two different things, and in many areas the loyalty of the troops, if not that of the officers, seems increasingly to be republic or national leaders.

Loyalty is also a matter of payment. If Mr Yeltsin has a Russian bank with Russian gold reserves, and hard currency flowing into a semi-convertible currency system, and Mr Gorbachev has a state bank with no assets, then the contest for the army and the KGB is as good as over.

President Gorbachev and the centre, therefore, will soon be left with only those powers which Russia, and to a lesser extent the other republics, choose to delegate — and pay for.



Gorbachev: his economic lifelines have been cut

Vukovar's defenders pledge fight to death

FROM ANNE McELVOY IN ZAGREB

THE town of Vukovar was yesterday fighting its last hopeless stand as the Yugoslav army pounded the remaining Croatian defenders into submission, telling them to surrender or face death.

Federal forces set about pushing out resistance in the centre, targeting the fortified Vukovar quarter where most of the heavy artillery defence was concentrated. The fighting prevented a European Community monitoring team from entering to observe conditions in the devastated town.

The army has demanded unconditional surrender from the 1,500 defenders clustered in pockets of resistance. A loudspeaker van was driven through the streets urging them to give themselves up. "Our soldiers will not shoot unless they are shot at," said Major Veselin Slijepcevic. "But if they try any dirty tricks, we have the firepower to wipe them out completely and take the rest of Vukovar within two hours."

The army said that groups of defenders had tried to break out of the surrounded town without success. EC monitors stood by to evacuate the sick, wounded and children, sent to town where 15,000 civilians have been under siege for

three months. Ed Koestel, the spokesman for the monitors, said that despite guarantees of safety from the federal forces, the area was still too dangerous for a rescue mission.

The Red Cross was waiting for word from its advance party before attempting to bring 1.5 tonnes of medical supplies into Vukovar by boat along the river Danube. This morning, the Red Cross spokesman in Zagreb said that many of the wounded had dysentery and gangrene, and that many had undergone operations and amputations without anaesthetics or antibiotics.

Gorodna admitted military losses in Vukovar on Sunday and authorised Major Vidovic, its mayor, to negotiate with the army on evacuating the sick and wounded. Mr Vidovic has demanded that the surrender take place in the

presence of the Red Cross to prevent atrocities. He also wants the wounded to be taken to the town of Vinkovci, still in Croatian hands. But the army says that any evacuation must take place via Serbian territory, crossing the Danube, which is the main dividing line between the two camps.

Many of the Croatian guardsmen left inside the town were still refusing to surrender yesterday, fearing a mass killing by Serb irregular forces if they emerge from their hiding places. Their commander, Milan Dedovic, was reported to have begun negotiations on the terms of surrender with federal army officers.

The Zagreb government appealed yesterday to the army to spare the lives of those inside the town, warning of an escalation of anti-army violence throughout Croatia if there are more killings. "No one will be able to guarantee the security of officers and soldiers in Croatia. A massacre in Vukovar would signify the beginning of chaos whose end would be difficult to imagine," the communiqué said.

Dobroslav Paraga, president of the ultra-nationalist Party of Rights, whose paramilitary forces are credited with strengthening the defence of Vukovar for so long, said that he would never order his men to withdraw. "We will fight to the death," he said. The loss of Vukovar is a heavy blow to Croatian morale, after the stubborn propaganda campaign stating that it would never be allowed to fall.

The army would now have little difficulty in sweeping into Vinkovci and taking up territory between the Bosut and Vuka rivers and the remaining Croatian stronghold of Zupanja, south of Osijek.

There was no respite yesterday in attacks on Osijek and Vinkovci, indicating that the army intends to press on and capture as much territory as possible with the intention of using it to negotiate the redrawing of Croatia's borders with Serbia in the future.

After holding ground on the eastern and central front for some weeks, Croatia has suffered a number of serious defeats at the weekend, losing control of Slunji, 80 miles south of Zagreb from where several thousand refugees are now fleeing south into Bosnia. It is also on the verge of losing Boroko and Nijemci near the Serbian border.

Dubrovnik was also attacked yesterday, with more than 100 shells falling on it in the space of a few hours. The fighting prevented an Italian vessel, attempting to evacuate children, from docking.



Distant memory: a German woman stands before one of nearly 32,000 crosses marking German war graves at Ysselstein in The Netherlands

Prices soar in Moscow 'big bang'

FROM BRUCE CLARK IN MOSCOW

LARISA Pyasheva, the passionate Russian economist who makes Milton Friedman look like a socialist, stood poised yesterday on the brink of realising one of her dreams — the "big bang" privatisation of one of the most corrupt and inefficient retail networks in the world.

But as the state stores of Moscow dragged out their last hours as ghastly monuments to the failure of communism, there was little sign that many shoppers shared the excitement of Miss Pyasheva, co-author of a book called the *Anti-Communist Manifesto*, and head of the city's newly

created privatisation council. Prices were soaring almost by the hour in the well-stocked but misnamed "peasant markets" — notorious for being controlled by racketeers — while the queues to buy basic foodstuffs at heavily subsidised municipal establishments grew longer and more sullen. By tomorrow, Miss Pyasheva announced, the staff at virtually all retail outlets in Moscow should receive details of how they can buy their premises at a reasonable price. If they turn down the offer, the stores will be sold by auction.

The only restriction — and it must have caused her some

ideological heartache — was that shops must continue to operate in the same sector for at least a year after they are sold. So there is no danger, for now, that all Moscow's fetid, dreary "grocery" stores will devote themselves exclusively to lucrative lines such as the French liquor brandy which has mysteriously appeared throughout the city.

"I am appealing to everyone, don't be afraid to invest your money," Miss Pyasheva said. Muscovites, she declared, would breathe a huge sigh of relief as newly sold shops were freed from the shackles of price control and

the wicked middlemen were squeezed out by the market. As long as privatisation was really thorough-going, and extended quickly to financial services, the capitalist experiment would not trigger hyperinflation, Miss Pyasheva insisted, for the new investment opportunities would drain the swollen money supply.

Yet at least a temporary surge in prices, with incalculable social and political consequences, seems almost inevitable, given the inflationary pressures that are already overloading the city's weirdly distorted economy. Salesmen and women at one open meat market — who present themselves as hearty, rosy-cheeked children of the countryside, but are everywhere suspected of being agents for sinister cartels — had the audacity to coo enticingly over hunks of meat at 100 roubles per kg (2.2lb).

That may be less than £2 a pound at the current tourist exchange rate, but the old "official" rate of one rouble per pound sterling gives a clearer idea of how the price seems to the average pensioner. The market price of meat was 30 roubles at the beginning of the year and 60 roubles a month ago. The state price, for which some produce is still available to those prepared to queue, is seven roubles, lifted from two last April.

Prince is cleared of killing

Paris — Prince Victor Emmanuel of Savoy, the son of Italy's last king, was cleared by a French court yesterday of killing a German tourist shot during a harbour dispute on the island of Cavallo, off Corsica, 13 years ago.

The jury acquitted the prince, aged 54, of manslaughter but found him guilty of possessing arms. He was given a six-month suspended sentence. He had admitted firing his gun but his defence lawyers claimed the bullet that killed the tourist was fired by someone else. (Reuters)

Efta deal delay

Brussels — The accord between the EC and the European Free Trade Area states to create a 19-state common market missed being initiated on schedule because of last-minute legal problems. The EC's independent court of justice will hold a session with the commission and 12 governments on November 26.

City shelled

Moscow — Georgian nationalists attacked the South Ossetian capital of Tskhinvali with artillery and machinegun fire and grenades. Tass reported eight people were seriously wounded and there was a disastrous shortage of food, medicines and fuel. (AP)

ZAGREB NOTEBOOK by Anne McElvoy

Decadent ghosts and exotic dancers keep war at bay

THE faultlessly courteous staff are, of course, far too polite to admit their disappointment, but pity the hotel that has only journalists left in it. Jarbated en masse, we can wing down the tone of even the finest establishment after a few months.

The grandiose Hotel Esplanade, like the rest of Croatia, has been deserted by visitors since the fighting began in July. As towns are besieged or conquered, the hotel guests monitoring the conflict consist of a shifting population of some 60 journalists and a handful of Canadian businessmen whose motives can only be guessed at. Sometimes, one catches a liveried porter with a far-away look in his eye, dreaming if the days when the guest list included Mick Jagger, Sophia Loren, Vivien Leigh, the Taylor-Burton and Gligi.

In the splendid dark-red gloom of the dining room, the amass tablecloths and the jows of the waiters are as stiff as ever, but there is a sea of empty tables to choose from and the atmosphere no longer lives up to the description provided by retired headwaiter, Milan Fistic, of a dinner given by the Lalian consul here in the late 1920s. "There was champagne, lobster, caviar and scampi," he recalled. "All the well-known ladies of Zagreb were invited about eighty in all, but only ten men. In the morning the gentlemen were lying under the tables and the hotel staff replaced them to entertain the ladies."

Built in 1925 in Austro-Hungarian style, the Esplanade is one of Central Europe's most enjoyable hotels. The tone is august although a frisson of decadence has never been far away.

When Josephine Baker, the scandalous queen of Paris variety theatre, arrived on a visit in 1929, the

local newspaper, *Vecer*, parodied the distress caused to the Croatian bourgeoisie by the sight of the black dancer.

"The news of her arrival has caused panic among the moral ladies of Zagreb. She's a menace! All the men will leave their wives. It's a punishment from God."

Miss Baker's latterday equivalents, a five-strong topless dancing troupe, still perform in the Diamond Club, but often to a mere handful of ogleers. The team has been imported from the Soviet Union. "They are very nice girls," said the front-office manager, Nikša Simunovic, earnestly. Dancng girls are traditionally imported from the east. "Croatian girls are very modest, very Catholic. They do not like to take off their clothes and dance."

He admitted that the atmosphere of the hotel had been dampened by the conflict which grows nearer by the day to Zagreb.

Drzen Boic, the dapper, bar pianist, refuses to be cowed by so much bad news and, with rare gusto, plays *As Time Goes By* and *Yesterday* on a glossy grand piano. When the over-excited recruits to the ultra-right HOS paramilitary loose off machinegun fire from their headquarters opposite the dining room to relieve the boredom, he simply plays louder.

One of Croatia's top popular pianists, with tours of America, Japan and the Soviet Union under his belt, Mr Boic has been the pianist in residence for ten years and looks back fondly on the days before the fighting. "Anyone who was anyone in Zagreb came here for dinner. We always had a waiting list for tables and the atmosphere was electric — everyone flirting and arguing. He sighed and surveyed the present dining assembly of 12 comatose scribblers.

Epitaph of bitterness for purger par excellence Husak

FROM ROGER BOYES, EASTERN EUROPE CORRESPONDENT



Husak: purged thousands of intellectuals

GUSTAV Husak of Czechoslovakia, one of the bad old men of East European communism, died yesterday after — according to some reports — receiving the last rites of the Roman Catholic church.

He was one of the Brezhnevite school of leadership, whose other graduates include Todor Zhivkov of Bulgaria and Erich Honecker of East Germany, who stifled ideas rather than accept the need for radical reform and the surrender of power.

Husak will be most bitterly remembered for the purge of tens of thousands of intellectuals after the Warsaw Pact invasion of 1968: for making window cleaners out of historians and bus drivers out of mathematicians. During his last years in

power — he was displaced in 1987 by Milos Jakes — he had become a self-satisfied leader, surrounded by corrupt courtiers. His wife died when she insisted on being ferried by helicopter to an elite hospital for treatment of a fractured leg. The pilot, forced against his will to fly in dense fog, crashed the helicopter, killing all on board.

His son was being brought up through the ranks of the young communist movement and treated as a "red prince". It was an era of big aristocratic villas and smart skiing chalets; the hubris of a former revolutionary.

Yet Husak, a trained lawyer, had begun his political career before the war as a committed and modest socialist with a real feeling for his native Slovakia. For many years he was a more flexible and intelligent politician than his great political duelling

partner, Alexander Dubcek, currently Speaker of the Czechoslovak parliament.

In December 1943, Husak struck a deal with social democratic partisans and thus strengthened the Slovak resistance movement against Hitler and the puppet Slovak government of Father Josef Tiso. But this deal was flung in his face after the war. Stalinists charged him with "bourgeois nationalism" and with betraying the communist movement. He was jailed for life. Mr Dubcek seemed to support the orthodox line and as late as 1958 — shortly before Husak's rehabilitation and five years after Stalin's death — was still writing critically of his fellow Slovak.

The duel continued through the turbulent days of the Prague Spring, when Mr Dubcek tried to introduce his policy of "socialism with a human face". Husak posi-

tioned himself with some skill, plainly distanced from Mr Dubcek but not slavishly pro-Moscow, like his later ideological henchman, Vasil Bilak. But, once in power, Husak lost his political sensitivity and imagined that the purge of intellectuals — accompanied by concessions to Slovakia — would solve the problem. After a while he failed to see that there was a problem at all. He told friends that the repressions of the 1970s were a great personal triumph: he had ensured that Czechs and Slovaks were not executed or sent to gulags.

Instead, as the Czech novelist, Milan Kundera, wrote in *The Book of Laughter and Forgetting*, Husak massacred the country's culture and independent thought. He tried to destroy its memory with Orwellian thoroughness: books, newspapers and films were destroyed and thousands

of people were tried, jailed or sacked.

There is some argument in Bratislava about whether Husak really converted to Catholicism in his enforced retirement. Certainly Slovaks were always capable of combining sincere religious belief with a communist commitment — even Mr Dubcek married in church — and Husak's sister was known to be a devout Catholic.

But Husak had a stubborn personality and it is not clear that he would have changed his philosophy quite so dramatically. Whether Husak made his peace with God or not, it will take the Czechs and Slovaks a long time to forgive this man. Despite all the vacuum-cleaning of history in the 1970s and 1980s, they have not forgotten Husak's contribution.

CLASSICAL MUSIC

Prized for period perfection

Conductor John Eliot Gardiner has equalled Herbert von Karajan by winning three *Gramophone* awards. He talked to Richard Morrison

GERARD ANSELME

Here is a measure of the revolution in classical music taste. Ten years ago a man called Karajan won the *Gramophone* Record of the Year award, as well as awards in two individual categories. The feat has never been matched — until now. Yesterday the English conductor John Eliot Gardiner was given both the Record of the Year accolade and the Choral award for his recording of Beethoven's *Missa Solemnis*, and the Opera award for his discs of Mozart's *Idomeneo*. The achievement is remarkable, because Gardiner is primarily a period-instrument man. In the early Seventies, period instrument performances were regarded as a joke or a menace: amateurish, out-of-tune dabbling. Gradually the quest for "musical authenticity" acquired the economic status of a cottage industry and the moral force of a crusade — a kind of alternative lifestyle for idealistic young musicians. The next stage came when the record companies realised that this kind of performance sold; in fact, it outsold almost everything — except Karajan, of course.

Now the process is complete. Period instruments are the mainstream. And Gardiner, who says he has "a horror of mindless homogenisation, of the whole musical repertoire being played in the image of the late 19th century", finds his reputation standing so high that two record companies give him *carte blanche* to record what he likes. His critics may feel that a greater danger lies in the whole musical repertoire being played in the image of J. Eliot Gardiner.

In 1964, that "horror of mindless homogenisation" launched his career. He was an undergraduate at King's Cambridge — his subjects, chosen with customary flair, were classical Arabic and medieval Spanish — when he inaugurated his Monteverdi Choir with a momentous performance of the Monteverdi *Vespers*. "I began it as a reaction against the Cambridge choral tradition. I was exasperated at hearing the King's choir make everything conform to a precious, 19th-century English style; singing Palestrina as if it were Stanford, and Bach as if it were Stainer."

Four years later, aged just 25, Gardiner was conducting the same work at the Proms. The foundations of his later success were already evident, particularly his indefatigable determination to dig out "what the composer originally intended", even if it meant a chase through the world's great music libraries. "There's no substitute for going back to the sources every time; no excuse for the unquestioning trust that so many conductors place in the printed edition."

He has held to that maxim, whatever period of music he has conducted. In the early Eighties, for instance, he was in charge of the Opéra de Lyon, where he saw his role principally as reviving the superb French baroque operas that had been neglected even by the French — in fact, especially by the French. But then he turned to Debussy's *Pelléas et Mélisande*, with astonishing results.

"I was quite naïve when I started on *Pelléas*, I thought, 'there is a 20th century masterpiece that must have been performed a thousand times as



Gardiner: "There's no excuse for the unquestioning trust that so many conductors place in the printed edition."

Debussy wanted it. Then I started to research, and discovered that the printed score is miles away from Debussy. That led me back to the manuscript, and the detective work of why Debussy changed what he did." Gardiner came to believe that Debussy had altered his own orchestration as a "quick damage-limitation exercise", because he was dejected by low orchestral standards. And so Gardiner restored Debussy's first thoughts — making some 450 changes to the printed score — and performed his version in 1985 to a storm of critical fury in France and general amazement everywhere else. It was probably the first time that the scholarly ideals of the historical performance movement had been seriously applied to a late

Romantic masterpiece in this way. "You need a nose for error," says Gardiner of his quest for authenticity. He might have said the same about his treatment of performers: he is famously intolerant of anything less than perfection. That kind

with fantastic flamboyance through music that demands a deeper spiritual response.

Yet even when he is unpersuasive, Gardiner is provocative, bracing, dazzling. And for every musician who has reacted against what might be seen as the patrician manner of a wealthy gentleman farmer (which he also is), there must be ten who revere him as a source of illumination and inspiration.

His latest adventure says much about that. It was a reconstruction last month of Berlioz's *Symphonie Fantastique* in the Paris Conservatoire hall where it was first played, and using the near-obsolete instruments that Berlioz originally specified.

"We used two ophicleides, which

Berlioz later rejected as impossible instruments. He substituted tubas, but in doing so he jettisoned brilliant colour. Take the 'Dies Irae' section. We did it as Berlioz originally wrote it — four bassoons playing an octave below an ophicleide and serpent. To begin with, it sounded diabolical: the notes which the ophicleide could get in time were exactly those that the serpent couldn't. But we worked at it, and finally it came right. The players were wonderful. So was the cor anglais player; he used his entire fee to get a copy made of the instrument which was used in Berlioz's orchestra."

But what is the point of modern-day players struggling to master inferior instruments, if composers like Berlioz were happy to see those instruments made redundant by new technology? "Yes, that may seem a kind of perverse archaeology. But the struggle to master a difficult instrument is part of the musical process. It stops music from sounding slick and plush. My strong feeling is that when Mozart, for instance, is played on a super-slick modern chamber orchestra it can sound sugary and somehow artificial."

Mozart is much on Gardiner's mind. On December 5, the 200th anniversary of the composer's death, Gardiner's performance of Mozart's *Requiem* with the Monteverdi Choir will be transmitted live from the Palau de la Musica in Barcelona by several European television channels (including BBC 2). His cycle of Mozart operas continues on record; and now he intends not just to conduct *Così fan tutte* but to stage it as well.

"No, I'm not trying to start a new career. But just for once I thought a production ought to take its cue from the dramatic clues that can be clearly found in the score. Mozart does it all for you; no need for a stage director to concoct some concept! I have a real allergy to Mozart opera productions that willfully go against what Mozart is trying to say, and many of them do, at the moment."

Isn't the real problem that quite a lot of opera producers don't read music very well? "Well, you said it, I didn't."

Where does Gardiner go from here? The answer seems to be: everywhere. His Monteverdi Choir and English Baroque Soloists continue to form the basis of his 18th century performances. A recently formed 19th-century period instrument orchestra — the ponderously named *Orchestra Revolutionnaire et Romantique* — will carry him through Brahms and onwards (a period-instrument Verdi *Requiem* is in the pipeline). He is at present recording a Beethoven symphony cycle. And he is the conductor of the (modern instrument) NDR Orchestra in Hamburg.

A cynic might observe that his "horror of mindless homogenisation" has not prevented him from hopping across the centuries with rather more freedom than Dr Who in the Tardis. But Gardiner's music-making will never be mindless or homogenised; whatever musical fields he explores, he will make a point of following in nobody's footsteps.

RADIO

Cosy chats and colour coding

Because people tend to think that programmes such as *Conversation Piece* (Radio 4, yesterday) are little more than a cheap means of bulking out an essentially dull schedule, the presenter feels obliged to strive for seriousness of tone: "Marsha Hunt, because people tend to think in stereotypes... is an improbably confident way in which to open an interview."

One detects a certain conservative quality in the title. The urge to talk candidly about sex and drugs must be resisted at all costs; although one feels that it would not matter greatly to civilisation if Marsha Hunt were never to be interviewed in any medium by Sue MacGregor, or if BBC Publicity had never claimed that her subject had once brought "a paternity suite" against Mick Jagger — apparently Daddy Sofa.

Stereotypes exist, however, even in mono. A quarter of a century ago, for example, when Hunt first arrived on these shores with \$1.83 in her purse, she might unobjectionably have been referred to as a negress, a word redolent of 19th century odalisques in oils.

Today she is "black". When I saw her in the early Seventies with the reggae genius Desmond Dekker, and again in the 1986 production of Arthur Miller's *The American Clock*, she was still brown. She kindly told Sue MacGregor — repeatedly referred to as "Sue", just in case anyone was imagining they

were listening to, for instance, Captain Hamish MacGregor of the Argyll and Sutherland — that on a recent return to his native Philadelphia she had been struck by the number of neighbourhoods composed exclusively of "people of a certain... um... um...".

"Background," I supplied, out loud. "Background," she echoed. To have acted with the Royal Shakespeare Company (Bianca, of course) at the National Theatre is plenty to have absorbed the mechanics of the prompt corner.

Faced with the choice of having to lunch with Pter Maile in Provence or being forced to take a singing lesson from José Carreras, may might ask for their money back. These items are currently being auctioned by Radio 2's Children in Need campaign, along with Beger's 1947 Triumph Roadster and tickets to the opening of Euro Disneyland. Why of reverse the concept and invite listeners to bid for an exemption?

I tuned in yesterday to discover how the appeal was moving along. The wretched hummed with reported requests to Mark Wynter to say both "Hi" and "Hello" to other people. How comforting to find British citizens being friendly in public. They all wanted to hear such offerings as "Tie a Yellow Ribbon Round the Old Oak Tree" It makes one feel proud.

MARTIN CROPPER



Marsha Hunt: British resident for more than 25 years

Here at last

THE Dance for Life gala on December 1 is not only bringing together stars from all of Britain's main dance companies, it also provides a belated opportunity for the Frankfurt Ballet to make its British debut under William Forsythe's direction. Since the American choreographer took over in 1984, the Frankfurt Ballet has become one of Europe's brightest dance companies. The gala at Her Majesty's Theatre will raise funds for Crusaid, the AIDS charity. Tickets range from £35 to £250.

All for Alan

LONDON is preparing what amounts to an Alan Bennett festival. On the heels of the two Bennett plays in this season's National Theatre repertoire — *The Wind in the Willows*

and his new play *The Madness of George III* — will come a limited West End run of his *Talking Head* television monologues. Bennett will appear alongside Patricia Routledge, in late January at a theatre to be announced.

Moor or less as you were

THE latest classic film to be restored is Orson Welles' 1952 *Othello*, unseen for many years. An original nitrate print was discovered in a New Jersey warehouse, and the soundtrack has been converted to digital stereo. The restored version will be released next year.

Island life

BRITISH opera companies have surprising spheres of influence. Next week, Scottish Opera for All (the education unit of Scottish Opera) flies off to Barbados for a two-week tour of 20

schools, as part of the 25th anniversary celebrations of Barbados' independence. The Scots will work with 2,000 Barbadian children on a workshop show, *A Day at the Races*. The Peter Moores Barbados Trust is sponsoring the trip.

Last chance...

THURSDAY is the last time you can enjoy the very English flappers and feather dusters of Gilbert and Sullivan's *The Mikado* at English National Opera (Coliseum, 071-836 3161). The Busby-Berkeley 90s style of Jonathan Miller's brilliantly whimsical production is as strongly cast as ever.

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SCULPTURE

More than just reflected glory

John Russell Taylor on a surprising exhibition of Pre-Raphaelite sculpture

The art market naturally tries whenever possible to attach the unloved in some way to the loved, in the hope that it will acquire a reflected glory. Hence such notions as British Impressionism and Symbolist Photography. Could the same be true of Pre-Raphaelite Sculpture, a concept floated in a new loan show staged by Joanna Barnes Fine Arts at Mathiesen's West End gallery?

Since few have even considered up to now the existence of a body of sculpture which could be labelled Pre-Raphaelite, it is tempting to think so. But the quality of the essays in the scholarly book accompanying the show, and the fact that it is going on to Birmingham City Art Gallery and Museum, an undoubted centre of learning on the subject of Pre-Raphaelitism, forbids too hasty dismissal. For that matter, one of the original close-knit brotherhood in 1848 was a sculptor, Thomas Woolner, so who should have a more authentic claim to the title of Pre-Raphaelite sculptor?

This show features Woolner prominently, as well as the alleged "missing brother", Bernhard Smith. Woolner is relatively easy to feature prominently, in that once he gave up his hopes of making a fortune in the Australian goldfields and returned to London in 1854, he became a successful and prolific portrait sculptor with a particular corner in depicting Tennyson. He also produced a number of "ideal"

subjects, but it is difficult to see anything much in his work — capable and sometimes lively though it is — to distinguish it from any other non-Pre-Raphaelite sculptor of the age.

Smith, who shared a studio with Woolner and went with him to Australia, remains a much more shadowy figure, mainly because he stayed on in Australia and gave up art for natural history. Art works by him are consequently few and far between. The three pieces in the show, particularly the small plaster *Schoolmaster*, do show an intriguingly quirky talent.

Other contemporaries and personal associates of the PRB, such as Alexander Monro, John Lucas Tupper and John Hancock also seem largely indistinguishable from the Victorian sculptural norm, though Tupper does on occasion (not here) show signs of the obsessive Pre-Raphaelite interest in microscopic detail. The show becomes a bit livelier when it moves onto the broader influence of Pre-Raphaelite painting and ideas on sculptors of a later generation.

Burne-Jones's statuesque mythological figures clearly impressed many younger artists, and signs of his influence



Painting: *Mother and children* by Robert Anning Bell

are clear in the armoured figures of Reynolds-Stevens and the young Alfred Gilbert. The feminine ideal of George Frampton is very close to the wan Pre-Raphaelite idea of beauty, and the coloured reliefs of the painter and illustrator Robert Anning Bell are very like late Pre-Raphaelite paintings with a slight sculptural element added.

Although the show can hardly be claimed to open eyes to the existence of an important new strand in British sculpture, it raises many questions, and admirably documents its own answers. It also makes clear that Pre-Raphaelitism was not the dead end it has often been taken for.

Most surprising and indeed unlikely of the objects on show is a small figure group by Sargent, rendering in three

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Wholehearted into Europe

Roy Hattersley says it is time for Britain to embrace the federal future

What does the government hope to achieve at Maastricht? The question is rarely asked and never answered. We know what ministers are determined to avoid, prevent and postpone. References to federalism, no matter how oblique, are intolerable. Implementation of the social charter is unacceptable. An extension of majority voting is unthinkable. The prime minister set the tone, rather than the agenda, during his Guildhall speech. It would be wrong to join a single currency now. But it would be equally wrong to rule out membership for ever. Our partners must believe that John Major is going to the summit with only one emotion: regret it is happening.

The prime minister's apologists argue that he is right not to show his hand. Meetings between heads of state and government should not be conducted like a Conservative Club whist drive. Participants with positive aims do not spring their suggestions on surprised opponents. Civil servants began the negotiations weeks ago. The British permanent representative should have already set out what Britain hopes to achieve: proposals designed to benefit us and at the same time move the Community ahead as the other members want. The two objectives are complementary.

Closer union is inevitable. We can choose to influence its shape and pace, or we can let it develop without our influence. Of course, we shall sign up in the end. The danger of missing the European boat is that without Britain on board from the start, it will not steer in the direction which we would choose.

John Major describes himself as "not a moral philosopher... but a practical politician". He does not need to be a visionary to realise that practical politics requires something more than immobilism. Britain ought to negotiate in Maastricht from a position of strength. Our partners want some would say need - Britain to be part of a more closely integrated Europe. The prime minister should tell them that our participation is guaranteed if the new union contributes to our greater prosperity and welfare. He should set out the extensions of Community policy which will achieve that end.

Instead, the Chancellor said on Thursday night, we shall "wait and see" whether the Community, with Britain carping from the sidelines, evolves in the way we want. That happy outcome is unlikely unless we influence the evolution. The Labour government will define the sort of union we want to see, and negotiate for its creation.

The prime minister is prevented from doing this by three handicaps: his character (which draws him instinctively towards procrastination), the divisions in his party (which are too obvious to need description) and the Community's

commitment to what Margaret Thatcher called "socialism by the back door". The new Europe our partners want to build will implement policies which, although enthusiastically supported by German Christian Democrats, are regarded in Smith Square as bolshevism. That applies to the economic as well as the social programme. It is the explanation of the government's resistance to a limited extension of majority voting in the Council of Ministers. Retention of the unanimity rule enables EC Luddites to block progress on environmental policies.

The single European currency - like the single market which preceded and prepared for it - offers undoubted benefit to the EC as a whole and to those individual member states with economies and governments capable of seizing the advantage.

For Britain to enjoy part of the bonus, all members must move towards real economic convergence. That involves more than matching inflation rates - an aim which can be realised by collapsing the weaker economies. It requires a mutual commitment to policies that allow sustained economic growth without the constant risk of current account deficits. It obliges the Community to develop an effective regional policy. No such beneficial progress will be possible without the creation of an accountable central bank.



Hattersley: Europe wants us to take part

The Foreign Secretary warns us against EC intrusion into the nooks and crannies of British life. He must know that it already inhabits innumerable crevices. Fifteen years ago, during the "harmonisation programme", Brussels acquired rights over the specification of pressure vessels, the designation of hops and the safety requirements of track-laying vehicles. Douglas Hurd's objection is not to the extent of the proposed intrusion but to the areas in which it will take place. A single market for labour is essential to real economic union. The government resists that development for wholly ideological reasons.

Admittedly, the social charter is built around principles which the Labour party has held to since its formation, such as the protection of employees against exploitation and the creation of a constantly improving working environment. A Tory government which wanted to be at the heart of Europe would rise above its dogmatic objections and realise the importance of the charter to our partners. Implementation would give European unity a meaning to millions of men and women who have not read Racine and regard the Common Agricultural Policy as an expensive farce. Only prejudice prevents its inclusion in our negotiating mandate.

There will be passionate promises to defend British interests. Unfortunately, the prime minister will neglect to define what Britain's interests really are.

Waite's reckless heroism

Clifford Longley explains why a freelance envoy gambled away his freedom

Terry Waite's last mission to Beirut was an extraordinary act of trust and courage: mistaken trust and foolhardy courage. He trusted his safety to ruthless street-fighters, convinced they took him at face-value as a disinterested do-gooder because they knew nothing of his role on the margins of the Irangate affair.

He rejected emphatic urging not to go back to Beirut, including advice from the Archbishop of Canterbury which fell little short of a direct order. The British ambassador to the Lebanon, John Gray, personally advised him against returning to Beirut, as did the Foreign Office. Wallid Jumblatt, the Druze leader whose protection Mr Waite sought during his last few days of freedom, said later that he too had warned him of the risks he was running.

All the other Western hostages in Lebanon were innocent victims of bad luck. Mr Waite was the author of his own misfortunes. He was unique among modern hostages in having surrendered voluntarily to his captives. He had apparently been in their custody before, and they had released him within hours. This time the captivity lasted nearly five years.

What took him to Beirut on the last occasion was a conviction that he was immune from being taken hostage more than temporarily, because nothing would be gained by holding him. For the conviction to hold, however, he had to persuade his captors of this. Just how he miscalculated, only he can say, but hostage-takers who do not know the difference between an Irishman and a Briton, as Brian Keenan discovered, are easily capable of confusing an envoy of the Archbishop of Canterbury with an agent of the CIA.

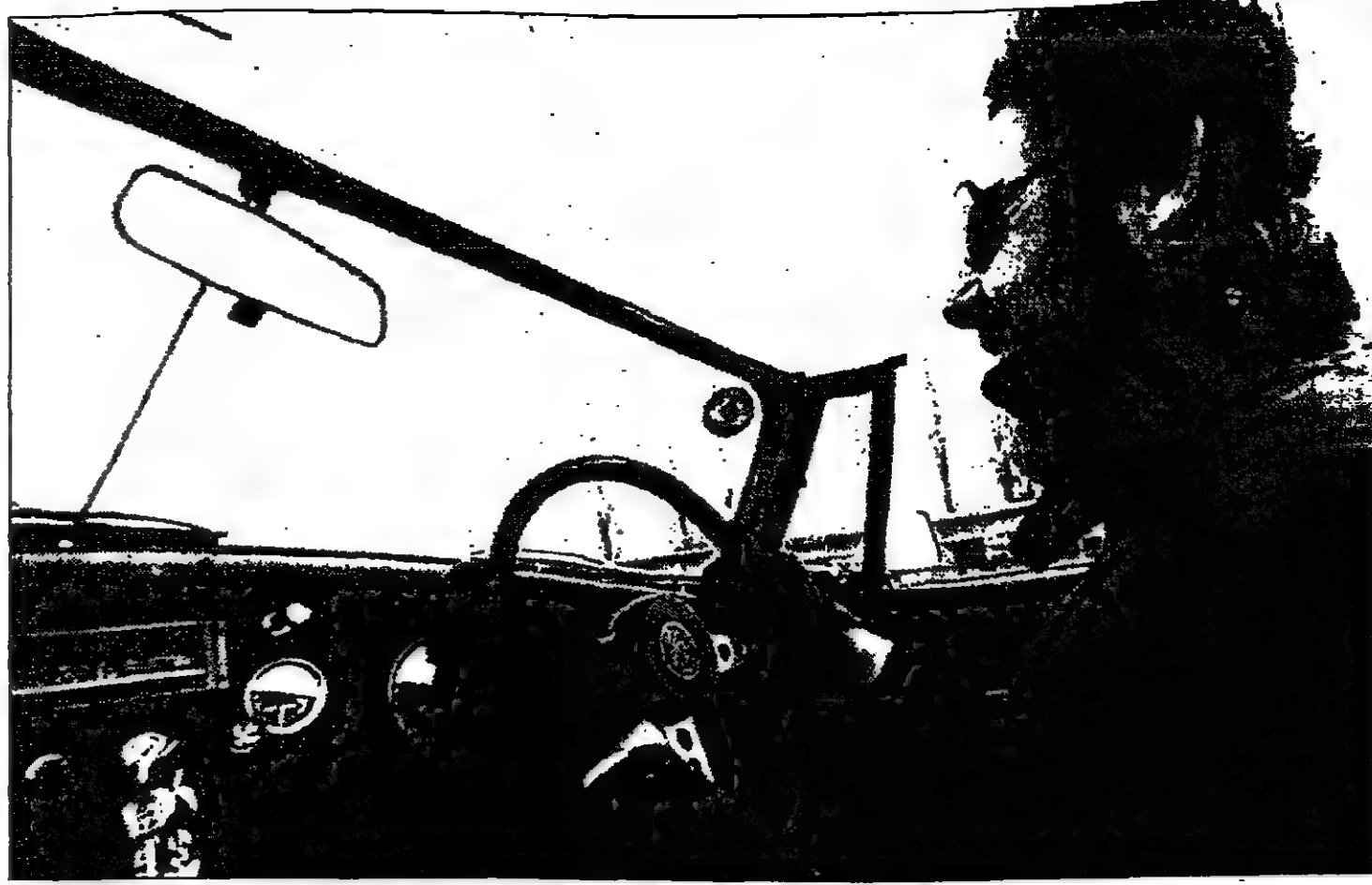
The story has never been fully told, but Mr Waite was a central character in the release of two American hostages, the Rev Benjamin Weir and Father Martin Jenco, both of whom were set free as part (it emerged later) of the notorious arms-for-hostages deal with Iran. When details began to leak out in 1986, Mr Waite expressed himself astonished. But he had had direct dealings with some of the key people in the Irangate affair, including Colonel Oliver North. At the very least, the Beirut Shia militia groups he had dealt with must have felt he had some explaining to do.

Well versed in Islam, Mr Waite knew it is contrary to its creed to detain a genuinely neutral religious intermediary; and the man he represented, the Archbishop of Canterbury, had no obvious axe to grind in the Middle East. But to a Lebanese Shia, distinctions between various Christian denominations are as inconsequential as the varieties of Islam are to Western Christians.

Mr Waite had to convince his contacts not only that the government was not involved with his mission (and the relationship between church and state in England is not easy to explain to a Shia Muslim), but that there was no conceivable link between a Church of England primat and the Lebanese Christian militias, which the Shia saw as dangerous opponents.

Mr Waite appeared to have convinced his contacts during his earlier visits, although he afterwards dined out on stories of sitting blindfolded with two machine-guns pointed at his back while being questioned about his real purposes.

So he was already a flamboyant international figure when he em-



Driving force: a flamboyant figure before his ordeal, Waite became obsessed with his mercy missions despite many warnings

barked on the most dangerous of all his missions in January 1987, an attempt to contact and intercede with the shadowy Islamic militia groups in the Lebanon who were holding more than 20 foreign hostages. The Foreign Office advised Mr Waite not to go, and he himself had misgivings, but his dedication had reached the point of obsession. One source described him banging his hand into his fist in the course of a conversation, insisting "I've got to get them out - I've just got to get those chaps out."

But things had changed in Beirut since his previous visits. Not only had there been shifts in street power and splits in the militia groupings, but the Irangate disclosures had begun to surface, and Mr Waite's credentials as a peaceable religious envoy with no covert government or Western intelligence connections had been damaged. Tehran must have suspected some undisclosed connection, and might well have tipped off its Shia proxies in Lebanon.

Clutching nothing but a "To whom it may concern" letter from Dr Runcie, Mr Waite put himself under the protection of Druze bodyguards, according to the arrangements he had made previously with Wallid Jumblatt. On January 20, however, he slipped from them. In order, he said, to "keep an appointment". Nobody knew with whom.

Mr Waite saw hostage-taking as a mental tug of war. The harder those outside tried to pull the captives free, the harder the hostage-takers would hang on to them. His safety required, therefore, that as soon as he was voluntarily in their custody once more, the rope to the outside world would be left completely slack. It was a subtle gamble.

He had left strict instructions that nobody was to go in after him if he disappeared, no ransom or deal was ever to be mentioned, so it was two weeks before Lambeth Palace, his home base, began even to express concern about his safety. For about a week, based on

reassuring messages from the Druze, it seemed that Mr Waite was indeed pursuing his negotiations with the hostage-takers. Lambeth Palace staff put out word that he was "sure" he knew what he was doing and would soon re-emerge.

The passage of time proved otherwise. The silence of the intervening months was broken only by a constant flow of rumours, often contradictory, never verified, as to who was holding him and why, where he was, whether he was alive or dead.

The most widely believed account of his fate was that he had fallen into the hands of Hezbollah, a militant Shia group which was strong in the southern suburbs of West Beirut. But although the Hezbollah is closely allied to Iran, no reliable news of Mr Waite's whereabouts reached the West from Tehran before 1991. Dr Runcie even approached Hojatoleslam Rafsanjani, now Iranian president and then Speaker of the Iranian Parliament, and received a warm and willing reply which denied any knowledge of Mr Waite and promised, apparently in all innocence, to make enquiries.

Other efforts were made by the church to establish contacts which could favour Mr Waite's release. Senior churchmen visited Cyprus and later Tehran, but these efforts never offered anything but further frustration and false hopes, and on one occasion the payment of "expenses" to a purported intermediary. Dr Runcie set his face against any deal, but had to admit privately that even if he had been prepared to offer terms for Mr Waite's release, there was nothing he could think of he could put on the table. There was at one point vague talk of an ex gratia church payment to a Muslim hospital, but the Archbishop's scruples were aroused even by that.

The political balance in the Middle East was such that it was not hard to imagine why groups sympathetic to Iran or the Syrians might want to hold Mr

Waite as a bargaining counter. The Americans had proved they were willing to do deals for hostages, and Mr Waite's American connections may have seemed clear enough. Leverage over Britain could be useful to Iran in connection with the Iran-Iraq war, or to Syria in connection with the severance of diplomatic relations (now restored) between London and Damascus. Meanwhile Lambeth Palace and the Foreign Office repeatedly insisted in public that where Mr Waite was concerned no deals were possible, hoping word might reach whomever held him.

Six foot seven inches tall and the son of a village policeman, Terry Waite had had a curious career before he stumbled into his 1980s vocation as an international peacemaker. Leaving school in Cheshire at 16, he joined the Grenadier Guards, but was soon invalided out after being diagnosed as allergic to the dye used in army uniforms. However, his brief time in the army brought him into contact with the Church Army, a Church of England men's society based partly on the example of the Salvation Army. He was accepted, trained, and commissioned as a full-time layman in the service of the church. He was never ordained a priest, and several times insisted that he saw his role as that of a lay minister. In subsequent years his connection with the Church Army grew more tenuous, though he never formally left it.

In his first stationing, in Bristol, he became involved in projects to increase the involvement of ordinary lay members in the life and work of the church. Psychological training became his speciality, particularly the technique called T-group therapy. The then Bishop of Bristol, the Rt Rev Oliver Tomkins, eventually nominated him as a member of an international commission to Uganda, training not so much laymen as priests and even bishops. In 1969 he joined the staff of the church in Uganda on a three-year contract,

during which time he expanded considerably his ecumenical horizons and contacts.

In 1980, after working in Rome for two missionary bodies, he joined the staff being created by the newly appointed Archbishop of Canterbury at Lambeth Palace. He was to be Dr Runcie's secretary for Anglican Communion affairs, handling the archbishop's relationships with Anglicans outside the church in England. In that capacity he was seen to be the most suitable person to intervene in the name of the archbishop when four English missionaries were detained in Iran in the wake of the overthrow of the Shah. They were, in effect, hostages taken from the (tiny) Anglican church in Iran, in what seemed to be the start of a wave of anti-Christian agitation led by post-revolutionary Islamic fundamentalists.

Success in Tehran in 1981 led to his involvement when Libya similarly detained some British businessmen (his pretext was that one of them had been a church organist). He dealt directly with Colonel Gaddafi, who was impressed by his knowledge of and respect for Islam.

That in turn took him to Beirut, again with a mandate to intercede in what could still plausibly be described as a church matter, for two of the hostages were clergy. Only for his last project did he drop the pretence that his mission was church business: no such claim was made, for instance, for his attempts to gain the release of John McCarthy, the British television journalist.

In 1986 Mr Waite started to let it be known that he would not mind too much if his international hostage-mediating role came to an end, and even that he would be prepared to consider a career move from Lambeth Palace. He strongly approved of a leading article in *The Times* which suggested that this kind of work was no longer appropriate for a church envoy. His trip to Beirut at the start of 1987 was already, in his mind, his final venture.



...and moreover

CRAIG BROWN

Over the past year, the movements of every Conservative MP during the days leading up to November 22, 1990 have been recorded by journalists, biographers and historians; the movements of every Conservative MP, that is, except one. A backbencher (for all but two weeks) since his election in 1970, Sir Shortley Peverill MP has 18 times been voted Least Distinguished Backbencher of the Year in a poll of fellow MPs, losing the title only once, in 1985, because so few colleagues had heard of him.

He enjoyed a very brief period in a position of minimal influence when he was appointed parliamentary private secretary to the under-secretary of state for fisheries in late January 1986. But this influence came to an end early that February, when Sir Shortley was forced to resign following an ill-considered statement to the press. Speaking from the department of fisheries, he formally declared fish as "awful wet slippery things with no legs to speak of and a shifty look to their eyes" which "I wouldn't touch with a bargepole". He was later to claim that he had been quoted completely out of context - "I was talking about my ministerial colleagues".

As part of a damage-limitation exercise, he launched a special photo-opportunity on Westminster Green, clutching three tins of sardines and grinning broadly. Sadly, no photographers turned up, leaving him all

by himself with his sardines and his grin. Cornered later by the disgruntled MP and asked to explain their absence, the parliamentary press photographers said they had been suddenly called away on a more urgent assignment. Mr John Gummer had been spotted nearby wearing a new-ish grey tie and talking to someone who may have been Mr John Moore.

But Sir Shortley Peverill was not a man to let an upset get the better of parliamentary ambition. Some time in the mid-Eighties, he had had the good luck to be asked the time of day by Norman Fowler, then secretary of state for employment. Priding himself on having successfully informed the secretary of state the time - correct to the nearest ten minutes or so - he felt sure that eventually, perhaps after some years, this favour would be more than repaid by a top-notch appointment.

When the challenge to the leadership of Mrs Thatcher came in November 1990, Sir Shortley was one of the first backbenchers to declare his position quite openly and without any hesitation. "My own view", he told John Sergeant on Westminster Green, having scurried there within two minutes of the declaration, "is that Sir Norman Fowler stands an excellent chance and he has my full and unequivocal support."

Politely but firmly informed by Sergeant that the challenge was being mounted not by

Fowler but by Heseltine, Sir Shortley at first appeared shaken. "This is bad news for the party and, more importantly, for the country as a whole," he said, later quoting out of context, claiming that what he had really said was: "This is good news for the party, and, more importantly, for the country as a whole."

Asked by his local newspaper whether this meant he was supporting Mr Heseltine or Mrs Thatcher, he replied, "Yes, absolutely. I want no one to be in any doubt about that."

So far, so good, but Sir Shortley Peverill's movements over the next ten days now grow increasingly obscure. He rates no mention whatsoever in Alan Watkins' new book on the leadership election, although Aneurin Bevan merits eight mentions and even Emma Nicholson gets two.

What now seems clear is this: not wishing to jeopardise his future career in the first ballot, Sir Shortley lent his full and unqualified support to both contenders, in the mornings canvassing for Mrs Thatcher ("firm leadership and vision"), in the afternoons for Mr Heseltine ("vision and firm leadership"), all the while delivering coded messages to Norman Fowler urging him most strongly to throw his cap into the ring, constantly assuring him that he could count on at very least three votes, owing to the margin of error.

An offer he can't refuse

ONE of the sweetest rewards of freedom for Terry Waite will be the chance to become a godfather for the first time. Unknown to Terry, his cousin John, the BBC journalist who has acted as the spokesman for the family since Terry disappeared, became a father for the first time almost two years ago.

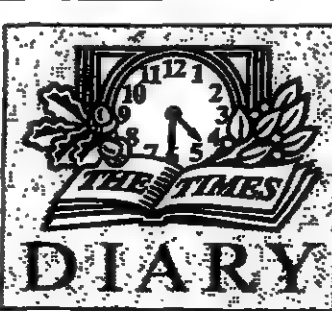
When Florence Waite was born, John and his wife, Kate, decided that Terry would be the godfather. They were prepared for a long wait. The christening has been delayed ever since, in anticipation of the day Terry came home.

Now the family is pencilling in dates in the new year when they



hope Terry will be well enough to make his vows alongside a long-standing friend of the family, Lord Runcie, the former Archbishop of Canterbury, is expected to officiate.

While the family may decide on a low key service, Lambeth Palace



is not likely to raise any objection to the service taking place at Westminster Abbey. Wherever it is held, Terry is expected to accept the role with enthusiasm.

One of John's colleagues at the BBC says: "John was determined from the very outset that Terry would be the godfather. They would have waited years if they had to, even though Florence has outgrown the christening outfit."

It could even turn out to be a double ceremony at the font. John's wife Kate is expecting her second child at Christmas.

One of the last official duties Terry Waite performed before leaving for his ill-fated trip to the Middle East was to switch on the Christmas lights for Blackheath village traders' association. With this year's illuminations due to be switched on this Saturday, the traders are hoping that if Terry is not back in time a member of his family will perform the honours.

A write scramble

WITHIN hours of his release yesterday the bidding began for the rights to Terry Waite's memoirs, which are worth approximately a third of a million pounds. Hodder & Stoughton and HarperCollins seem to be favourites for the contract.

The Waite family has already appointed an agent to deal with the negotiations. Mark Lucas from Peters, Fraser & Dunlop was signed up last week by the family when the first rumours began of Waite's impending release.

Lucas was chosen because of his experience in handling the negotiations for the memoirs of John McCarthy and Jill Morrell, which were sold last week to Bantam Press for a rumoured £350,000. But Peters, Fraser & Dunlop may never see the benefits of a similarly lucrative contract. "Terry may not want a literary agent and may handle it all himself," says Lambeth Palace.

Ron Chopping, managing director of HarperCollins religious books, envisages two books with the first out by the end of January. Chopping says: "I think it would focus on how he sustained himself with his religious beliefs while he was incarcerated." The second book, a year later, would be more autobiographical, according to Chopping.

Abbey ending

A FADED crimson velvet footstool used at the coronation of George IV has returned to Westminster Abbey after 170 years. The footstool was sold for £35,750 by an anonymous vendor at a Sotheby's auction last week.

"It was from a private collection," says Graham Child, the head of furniture at Sotheby's. "The owner is now dead and the children have no idea where the footstool came from. It's a mystery, but a mystery with a happy ending, as it has now returned to the abbey."

The footstool originally cost £41 17s 6d, a considerable sum for its time, but the Lord Chamberlain's department alone spent £111,810 8s 2d on the coronation ceremony

in 1821, more than seven times that spent on the coronation of the king's father, George III, in 1761.

Although the reserve price was £10,000-£15,000, George Levy, the Mayfair furniture dealer, bought it on behalf of the abbey with contributions from the National Heritage Memorial Fund and the National Art Collections Fund.

Smart decision

WHAT'S in a word? Quite a lot to the sponsors of the Smarties children's fiction award, especially if it's a four letter one. Robert Westall's *Yasley's Cat* was on the shortlist for the nine-to-12-years age group. But when the judges met to consider its merits it was made clear to them that because the book was littered with so many swearwords it should not win the £8,000 prize on Thursday.

Westall won in 1989 with *Blitzcat*, but it was a controversial choice because of the bad language in the novel. Angry parents wrote to the Book Trust, which runs the prize, to complain.

Celia Parry-Jones of the trust says: "We thought Rowntree should know about the language Mr Westall used in this year's book." One source involved in the competition says: "It seems that Rowntree decided that youngsters should be shielded from such words." Rowntree denies any foul play.

There has been much speculation about the contents of the black briefcase which follows Boris Yeltsin around the international stage. But far from containing the secret codes to Russia's nuclear weapons, as some reports have suggested, the case is a bullet-proof screen, which is held at chest height by two loyal retainers, whenever the president speaks in public.



Forthcoming
marriage

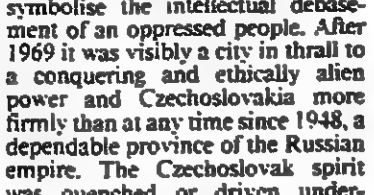
Luncheons
The Prime Minister was host

Osama Rawl, Mr and Mrs V.K. Sharma, Mr Robin Bloomfield, Sir David Gillmore, Mr and Mrs John Birch and Mr and Mrs Stephen Wall.

Royal Philharmonic Society

The Royal Philharmonic Society gave a luncheon yesterday at the Garrick Club to mark the election of Sir Thomas Armstrong to honorary membership.

GUSTÁV HUSÁK



Birthdays today

The following to be Chairmen of the Regional Councils for Sport and Recreation:

Mr Geoffrey Dunn to succeed Mr Ken Ohlson as Chairman of the South East Council this month; Mr Andrew Hancock to

to succeed Mr Ronnie Burnet as Chairman of Yorkshire and Humber-side in January.

Today's royal engagements

series
 Charles I. reigned
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 walden, sculptor.
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 President Lincoln

1965: Thomas for the people, sh
dramatist, London from the earth". 1

Queen Elizabeth Grammar School,

Brazzaville Jan 1971.

speaker at the British Committee Over-Seas Mr Martyn

Christening
The infant daughter of Mrs Richard Wolstenholme christened Edwina Lavender at St Martin's, Thompson.

Cardiff
Riley, Mr. Dominic
Miss Georgina Lankester
Mrs James Birkett.

moves in a power struggle aimed at discrediting Dubček and the reformers, removing him and them from office and seizing supreme power himself. He achieved his purpose in April 1969, when Dubček stepped down from the post of the first secretary of the Czechoslovak Communist Party and Husák succeeded him.

more than anyone else to help rehabilitate him when he was in disgrace. He followed this up with severe sentences to signatories of Charter 77, the manifesto demanding human rights in Czechoslovakia.

been the emergence of Charter 77 and its signatories.

Their exposure of the countless illegalities of his regime and his unrelenting attitude to them, culminating in their imprisonment, set an indelible black mark on his

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 Whicker, Mr. and Lady Wheeler
 and Mrs. Allen, Mrs. Res-
 Anthony Cooke, Mrs. Con-
 Mrs Robert Corbett, Mr and
 Bernard Harry, Miss Prue Lacy,
 Christopher Lucas, the Ver-
 Mitchell and Mr Mayne, and M-
 Parier
 British Atlantic, Ltd., and

Wolfe Society
General Sir Edward Bugeas
the guest of honour at
annual dinner of the
Society held last night
at the Westham to mark
anniversary of the birth
of the late Major-General James -
Mr J.S.A. Wardle presided.

Chatham Dining Club
Sir Bob Reid was the principal guest at a dinner of the Chatham Dining Club held last night at the St Ermin's Hotel. Mr. Egleston presided.

The President of the C

In 1975, when President Svoboda was unable to continue in his office, special legislation was introduced to enable Liks to succeed him. In

flow around him. Husák became increasingly isolated. Eventually, in December 1987, he stood down as general secretary of the Czechoslovak Communist Party, to be succeeded by Miloš Jakeš.

After leaving office Husk played no further part in the politics of his country, and was expelled from the Czechoslovak Communist Party in February last year. He was permitted to live in seclusion, an increasingly sick man after undergoing

His wife, Viera, died in 1977.

Business Club, Sir Idwal Pugh, and the Hon Recorder of the City of Cardiff, His Honour Judge M. Gibbon, were present at a dinner held by the Club at The Royal Hotel, Cardiff, last

Reception

The Conservative Foreign and Commonwealth Council held a reception at Christie's Auction Rooms, St James's, SW1, on Wednesday, November 13 (by courtesy of Lord Carrington, CH). The guests were received by Lord and Lady Cullen of

Ashbourne, Mr Ian Taylor, MP, chairman, and Mrs Edward de la Motte, deputy president. The Earl of Caithness, Minister of State, Foreign and Commonwealth Office, also representing the Foreign Secretary and President of the Conservative Foreign and Commonwealth

Members of the Diplomatic Corps, Ministers and Members of both Houses of Parliament and the Hon. Charles Alsop and Mr. Anthony Browne, Directors of Christie's.

Christening
The infant daughter of Mr and Mrs Richard Wolstenholme was christened Edwina Lavender, at St Martin's, Thompson, Norfolk, by the Rev John Cooke, on Sunday, November 17, 1991. The godparents are Mr Stephen Riley, Mr Damien

Miss Georgina Lankester and
Mrs James Birken.

Temps, page 28

Interim profits surge to £351m at C&W

By MARTIN WALLER

A JUMP in the trading profits at Mercury - British Telecom's only rival in the British telephone market - and a further strong performance from Hong Kong sent the first-half pre-tax profits at Cable and Wireless ahead by £50 million to £351 million.

The shares climbed 14p to 527p, encouraged by the absence of a much-rumoured £300 million rights issue that had prompted a 22p fall in the shares during the previous day. Lord Young, the C&W chairman, dismissed the rumour, saying gearing was 14 per cent at the end of the last financial year and was 14 per cent now.

The interim dividend is raised by 15 per cent to 4.25p. Lord Young said the "encouraging result" at the half-way stage had been achieved despite the continued uncertainty in the world's important economies.

He said: "We now have to look ahead to a time that will see deregulation, liberalisation and privatisation in our industry sweep the world."

There were a total of 25 telecommunications privatisation

AWA shares jump on takeover speculation

French grip closes on Europe's third biggest paper firm

By WOLFGANG MÜNCHAU, EUROPEAN BUSINESS CORRESPONDENT

SAINT LOUIS, a French sugar and paper group controlled by the Worms family, has made a 4.3 billion franc bid for the outstanding shares in Arjomari-Prioux, Arjomari is the largest shareholder in Arjomari-Prioux, an Anglo-French paper manufacturer and Europe's third-largest company in its field.

The bid is not expected to lead to changes in the ownership of AWA, but it has been interpreted as a move by the Worms family to play a greater part in running the company. Officially, it represents no more than a tidying-up of the complex web of the Worms family's financial interests.

AWA was created at the end of last year through the merger of Wiggins Teape Appleton, which had emerged from BAT, and Arjomari, the main asset of which is its 39 per cent stake in AWA. The link was widely welcomed at the time on industrial grounds, but there was concern that AWA might be left open to undue influence by a single foreign shareholder.

In particular, the deal risked the possibility of one large minority shareholder exercising effective control without having to bid for the whole of the company. These criticisms were rejected by the management, and dismissed by shareholders, who voted the deal through.

Yesterday's development will strengthen the grip of St Louis on Arjomari, in which it already holds a 41.4 per cent stake, and therefore indirectly on AWA.

Although Saint Louis gave an undertaking that the bid would not affect the ownership of AWA, there was an initial sharp rise in AWA's share price on takeover speculation. This subsided later, and the shares fell back to close at 259p, up 5p.

Saint Louis has bid for the outstanding shares in Arjomari, offering a package of shares and convertible bonds with a face value of £525 a share, which is roughly in line with Arjomari's current share price, after adjustments for some property interests.

The terms of the offer are one new convertible bond for one share, or 11 new convertible bonds for two existing convertibles.

Saint Louis said in a statement that the deal "should allow Saint Louis to clarify and simplify its structure in order to fulfil its role as an industrial operator fully."



No profits, no pay: Sir Lawrie, back from retirement

Barratt expects housing market revival in 1992

By MATTHEW BOND

SIR Lawrie Barratt, lately returned from retirement to chair Barratt Developments, said yesterday that he believed the housing market had bottomed out.

In a strongly worded address to shareholders attending the company's annual meeting, Sir Lawrie expressed his confidence that house prices, having fallen by about 30 per cent in the last two years, would begin to recover in 1992. "I feel the bottom of the housing market has now been reached. I certainly foresee house prices rising throughout 1992 in line with increased earnings of 5 per cent or more," he said.

Sir Lawrie also made it clear that he was committed to returning Barratt to profit. Two months ago, the company reported a pre-tax loss of £106 million, after the value of the group's American and English land banks had been written down by £73 million.

John Swanson, Sir Lawrie's predecessor, resigned in July. Sir Lawrie, whose comments prompted a 3p rise in Barratt's shares to 62p, said that he would not receive any pay until the company returned to profitability. "In other words, no profits, no pay," he pointed out that he had bought a million shares earlier this month and that his wife had acquired a further 250,000.

He reassured shareholders that, while debt reduction was his first priority, this would be done by reducing work in

progress and by asset sales rather than through a rights issue. He said that progress had already been made, pointing out that total debt now stood at £178 million a year ago. He was also optimistic about the long term prospects for Barratt's Californian operation.

As part of the debt reduction programme, Sir Lawrie announced a plan to sell and lease back the group's show houses. For the two or three years that Barratt retained the use of the house, an investment return of 17 per cent would be guaranteed. Rents would provide buyers with a yield of 12 per cent a year, while a further 5 per cent a year would be guaranteed on the eventual sale of the house. The show houses will be put on the market early next month.

Sir Lawrie said it was not possible to predict when precisely Barratt would return to profitable trading. Given the depth and immediacy of Barratt's problems, he said: "You will not be surprised to hear, therefore, that during the first four months of this financial year the group continued to trade at a loss. But these losses are declining monthly and I am confident that we will very soon return to profitable trading."

He said six subsidiaries had been closed in the last three months, and every aspect of overhead expenditure had been examined.

Increased sales lift LIG to £20m

By OUR CITY STAFF

LONDON International Group, the surgical glove and condom maker, reported an increase in half-year pre-tax profits from a restated £17.6 million to £20.5 million. The increase is attributed to increased sales of its Durex condom range.

The group said it saw no United Kingdom economic upturn until next year, but the strength of its brands and its geographical spread would permit it to trade satisfactorily throughout the year.

Alan Webb, the chairman, said: "The condom market continued to expand worldwide and London International Group's business continued to increase in most major markets." LIG stated it had restated its 1990 figures because of increased payments on a convertible bond.

LIG's main health and personal products division reported an operating profit of £13.6 million, against £11.1 million previously. It said condom sales in Southeast Asia advanced and that a joint venture agreement with Royal Industries Thailand, the Thai company, would give it a good base from which to trade in the region.

LIG's surgical glove business increased market share in the UK and America and was "on track" in Europe. The group's ColourCare photocopier division turned in a slightly lower operating profit of £11.5 million, against £12.4 million, in a generally weaker market.

LIG shares were down 13p to 290p because the profits were at the bottom of the range of stockbrokers' forecasts, from £20.5 million to £24 million.

About 1.6 million shares changed hands. Dealers said LIG shares have had a good run recently and people are taking some profit on the results.

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Hogg Robinson climbs to £10.8m

By MARTIN WALLER

A STRONG recovery from the travel division and record profits from financial services sent pre-tax profits at Hogg Robinson ahead from £8.74 million to £10.85 million in the half year to end-September.

Controls, particularly in the travel division.

Trading profits from the travel side rose 39 per cent, to £5.53 million, while financial services saw a 41 per cent increase to £2.21 million. Transport grew 11 per cent to £2.11 million.

Since the half-year end, Hogg has bought Dens Group, a Belgian transport company, for £6.83 million, but continues with £27 million net cash in the bank. Mr Perry added that while the travel market was reasonably flat, "the forward booking position for the winter and next summer looks quite attractive". Bookings for next summer are up 15 per cent on last year.

Sir Ron Brierley, the New Zealand entrepreneur, has now sold his holding but the Kuwait Investment Office retains 11.5 per cent and British Airways has 12.5 per cent.

"Even though economic recovery is likely to be slow, we are optimistic of a successful outcome for the year as a whole," Mr Perry said. Hogg shares advanced 10p to 189p.

Perry: bookings up

The interim dividend is raised from 2.25p to 2.50p. Brian Perry, the chairman and managing director, said the result had stemmed from a general growth in most business areas coupled with a continuing emphasis on cost

controls, particularly in the travel division.

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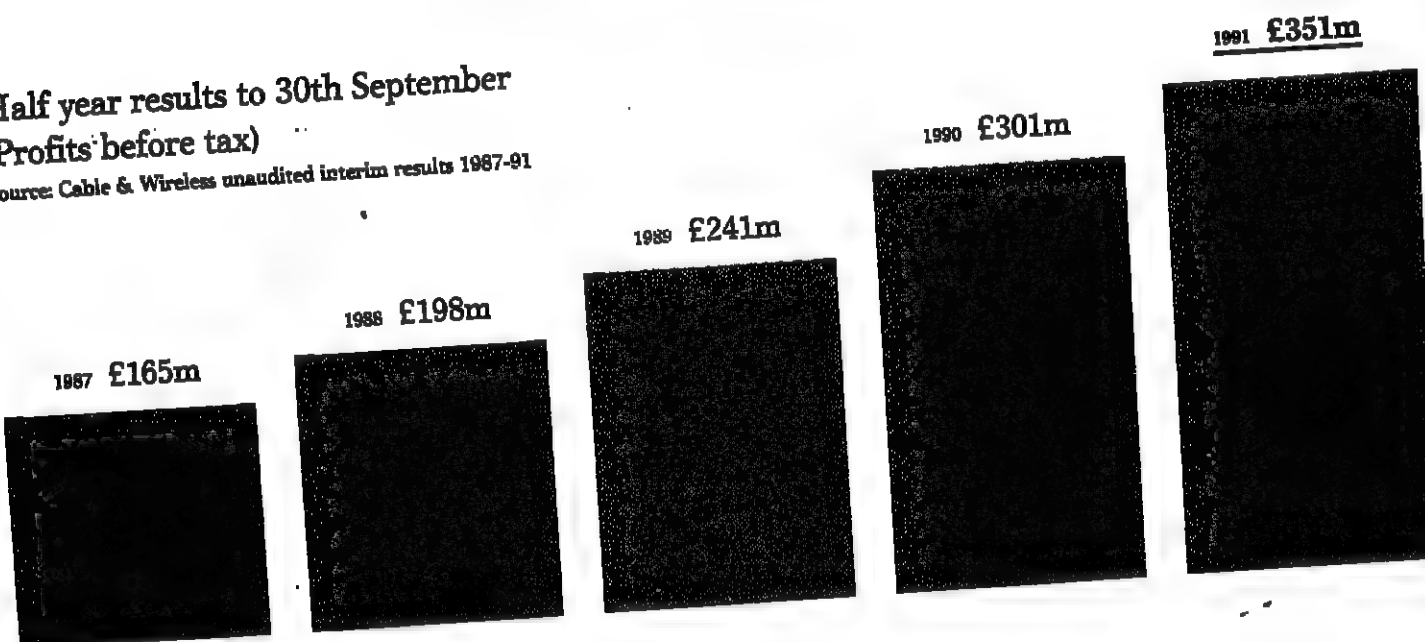
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Our past speaks for itself.

Half year results to 30th September (Profits before tax)

Source: Cable & Wireless unaudited interim results 1987-91



Financial highlights for the half year ending 30th September 1991.

- Profit before tax up 17% to £351m - an increase of £50m.
- Earnings per share up by 38%.
- Interim dividend of 4.25p per share is up by 15%.
- Net gearing at 30th September 14.0%.
- Turnover continues to grow strongly - up by 24%.

Our strategy addresses the future.

"We have to look ahead to a time that will see deregulation, liberalisation and privatisation in our industry sweep the world. We have evolved a clear strategy for continuing the growth in our earnings per share. The three elements of our strategy - providing premium services to business; expanding basic telecommunications services; and building a portfolio of mobile communications businesses - give your company a distinctive shape and a sharp focus for the years ahead."

Lord Young, Executive Chairman.

CABLE & WIRELESS
NEW MERCURY HOUSE, 28 RED LION SQUARE, LONDON WC1R 4UQ.

Engineers call for tax-free benefits

By PHILIP BASSETT, INDUSTRIAL EDITOR

ENGINEERING employers yesterday called for a future government to take a range of largely fiscal steps to improve the position of British manufacturing industry, including making investment expenditure tax-deductible.

The statement defines the engineering industry's pre-election agenda and launches "EEF - the Voice of Engineering", formerly the Engineering Employers' Federation, which was principally involved with national pay bargaining, but is now a general lobbying body for manufacturing industry.

The EEF's approach put this week to Peter Lilley, the trade secretary, and which will be put shortly to Norman Lamont, the Chancellor, and John Smith, his Labour opposite, differs markedly from that of the Confederation of British Industry, which is

calling for a refocusing of the trade and industry department.

Peter Ball, deputy director general of the EEF, said: "It is an absolute nonsense that you can deduct the cost of advertising straight away, but not the cost of plant and machinery." It also suggests future governments should support research and development and seek the removal of foreign governments' subsidies to their own industries.

The EEF said its approach should be considered by all political parties, but said many of the measures introduced by the Conservatives over the past 12 years had been helpful to manufacturing, while a number of Labour's proposals, including union recognition a minimum wage and a training tax, would not.

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COMMENT

Racal floating out of reach

Sir Ernest Harrison emerged yesterday as a clear winner of round two in the £750 million battle for control of his company, Racal Electronics. The decision to demerge the Racal security business may be a change of heart. But it certainly means that Williams Holdings, the industrial conglomerate bidding for Racal, must dig deeper into its pockets if it expects to win the day.

Racal's share price has stubbornly remained ahead of the all share offer from Williams, worth about 47½p at today's closing prices. Today, the daylight widened, with Racal shares edging forward 1½p to 56½p. Williams has the ball in its court but the next move is not entirely obvious.

A demerger of Racal's security operations, whose best known trading name is Chubb, was part of Sir Ernest's original plan for a three way split of his group announced a year ago. A demerger of Vodafone, Racal's wildly successful cellphone offshoot, has taken place but the demerger of Chubb was put on ice for the time being.

There were plenty of good omens for reviving the demerger plan. Others launched in the recent past have been well received. Though markets were more buoyant when BAT demerged Wiggins Teape Appleton and then Argos, or when Courtaulds split off its textiles businesses, handing back Chubb to Racal shareholders seems likely to prove worthwhile.

The market value of £1,000 invested in Racal share in the spring of 1988, immediately before the partial flotation of Vodafone, had doubled even before Williams launched its offer. How much will parting with Chubb add to that progress?

The base valuation for Chubb is a recent £450 million offer from an unnamed trade buyer though this is net of borrowings of about £170 million. With Chubb's new management already having identified cost savings and other benefits of about £21 million, Chubb should be on course for profits of £65 million or allowing for a modest growth in the next year, perhaps £5 million more.

Depending on how much of Racal's group debt is attributed to Chubb, the implied valuation is perhaps £550 million or £600 million. Racal shareholders are on this basis likely to expect a 65p per share takeout from Williams. But this would spell either initialisation or the risky business of underwriting a cash alternative. Racal's prospects for survival have increased greatly.

Tender benefits

The crumbling stock market may be offsetting the sophisticated efforts of Warburg Securities to squeeze the best possible price for the government in its latest sale of BT shares. But it shows the complex international tender system, designed in the wake of the 1987 BP debacle, to good advantage. Flexibility is built into the offer in three ways. The number of shares sold can be varied by up to a quarter. The proportion taken by institutions can be varied between a third and a half and the price will, in effect, be determined by the market on the Friday before the new partly-paid shares are quoted, eliminating the risks of a lengthy fixed price offer.

The public might even think that the fall in BT removes some of the downside risk, though that will not be enough comfort if there are headlines about falling stock prices at the crucial initial moment. Institutions may be more sanguine. The book-building exercise, in which conditional bids are built up and final bids made at the last moment, is going up and final bids made at the last moment. They are designed their own form of formula pricing. They are bidding at the December 6 market price of fully paid BT shares plus a proportion of the estimated 20p interest benefit of payment by instalment.

The purchase of a small investment trust threatens the Maxwell empire.

Angela Mackay investigates

One of Robert Maxwell's more enigmatic deals was the purchase, in July, of an obscure investment trust dealing in Japanese shares. The deal was only remarkable at the time because the offer price of £57.5 million was considered a bit too much to pay. In-depth analysis of the transaction, however, was subsumed by a tidal wave of interest in the collapse of the Bank of Credit and Commerce International and nobody suspected this was the deal that more than any other would come the closest to crushing the family's empire.

Swiss Bank reminded the market of the deal this week announcing it had passed documents to the City of London police relating to a £55 million loan it made to Adviser (188), a wholly owned subsidiary of Headington Investments, a key Maxwell family company. The money was the bulk of the cash needed to purchase First Tokyo Index Trust.

On Monday, the Serious Fraud Office said it would investigate the deal and Swiss Bank said it wanted its money back because the promised collateral for the borrowing had not materialised.

Like George Walker, whose personal finances are enmeshed inextricably with Robert Maxwell's, the company he founded, Kevin Maxwell, Robert Maxwell's successor as chairman of Maxwell Communication Corporation and most of the private companies, not only faces a personal cash crisis but the spectre of an SFO investigation that is guaranteed to spook the market. Indeed, MCC's shares have dropped to 36p, from more than 125p, 16 days ago. The family has a 68 per cent interest in MCC, most of which is secured as loan collateral.

The Maxwell family's problems partly involve its banks' preparedness to advance huge sums to private interests when public collateral is involved.

The family's 25 banks, led by NatWest, are meeting on Monday to discuss refinancing the private companies. A report is being prepared at the family's request by Bankers' Trust, the American investment bank, and Coopers &



Legacy of debt: Robert Maxwell's family will need to keep the banks' confidence

Lybrand Deloitte, auditors to MCC and the Mirror Group. But the Swiss Bank loan to buy First Tokyo is the facility that is causing the family most grief, simply because the Swiss have shown they are prepared to break ranks if it means they will win the race to recover cash.

Robert Maxwell's involvement with First Tokyo goes back to January 1989 when London and Bishopsgate International Investment Management succeeded Edinburgh Fund Managers as manager of the trust. London and Bishopsgate, which is controlled by Robert Maxwell Group, a family company, is believed to have bought a 29 per cent stake in the trust at the time.

London and Bishopsgate changed the make-up of the trust by moving the portfolio out of Japanese small company shares into leading Japanese companies that were in turn followed by an index tracking program. Moreover,

the company then decided to implement a securities lending program to maximise income from the portfolio.

According to First Tokyo's 1990 annual report, directors realised early this year that "the securities lending program was being conducted with companies associated with the managers" of the trust without board approval. The annual report also noted by April this year, the £38 million portfolio was once again "held to the order of the company" and the lending programme to the Maxwell companies had been terminated.

As far as the outgoing non-executive directors are concerned, the portfolio remained wholly within First Tokyo until their resignation as directors on August 1 after Mr Maxwell's £57.5 million bid was completed. One question investigators

into the loan are trying to fathom is why Mr Maxwell wanted the portfolio in the first place. Two suggestions are that he was either making a currency play, or that he had borrowed against it.

London and Bishopsgate's role as manager could be questioned and it could have placed First Tokyo's trust status in jeopardy. Trusts of this nature are not allowed to make more than 30 per cent of revenue from non-securities trading. Considering the low yield of the Japanese market at the time of the loan, it is possible that this proscribed balance had been breached.

Swiss Bank had been promised First Tokyo's portfolio, its dividends, income due and other assets as collateral. When the collateral failed to appear by early October, Swiss Bank became concerned.

Kevin Maxwell, now on his second trip to New York since succeeding his father, has already clinched the sale of

A better way for capital markets

Britain is moving "invisibly and rightly" towards European monetary union, but it would be ironic if the country shifted radically towards German-style corporate governance at a time when others were beginning to see the merits of the British system.

That was the assessment Sir Brian Corby, president of the Confederation of British Industry, gave experts from the City and academia gathered in St James's to deliberate on the problems of corporate governance, short-termism, dividend policy, or "is the Teutonic system better?"

Pragmatically, Sir Brian made clear that he favours the City and industry making the present British system work better, and, importantly, he perceived to work better. Fears about destructive British directors and their predatory practices evidently not shared by him. These ideas on City-industry relations came at a conference organised by the National Economic Development Office. Sir Brian, who can see the institutional investors' side, expressed the hope that participants would conclude that the better route to progress in making capital markets work for company success would be an evolutionary approach.

On dividend policy, he suggested that all sides would benefit and possibly even see lower dividends, if they started from the seemingly unchallengeable premise that all profits are "in the first instance, distributable". It was up to management to explain why profits were retained in a business and for what purpose. Tensions were inevitable. "You don't get rid of them, or even try to: You manage them."

Fears that Britain's penchant for the adversarial, in Sir Brian's view, still holds that argument over the means often obscures the fundamental agreement on the goal. But City and industry initiatives are now coming forward on the structure and operation of company boards, the responsibilities of the institutional shareholder. But, as Sir Brian underlined, what is not needed is the intervention of "clumsy legislators".

COLIN NARBROUGH
Economics Correspondent

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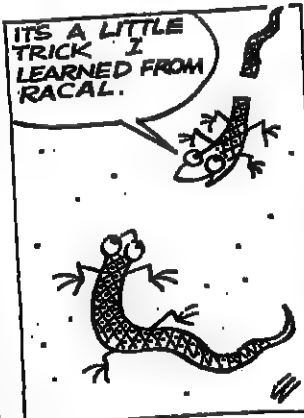
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THE TIMES CITY DIARY

Toast of the speakers

Sir John Harvey-Jones, former ICI chairman and star of the *Troubleshotter* television series, has a fair stock of stories out of the spotlight this week as Tony Ball, the man who launched the Mimi in the Sixties, was voted the year's after-dinner speaker at the annual Benedictine awards. Ball, who joined Sir John and a host of fellow celebrities at Claridges on Wednesday evening, was world sales chief for Rover and Jaguar cars during the most critical days at British Leyland. He earned his stripes helping Sir Michael Edwards persuade car buyers to "Buy British". On one occasion, he was speaking under a large sign for BL CARS when the letter B came unstuck and fell on his head. "They fell off one on one during the speech," says Ball, who now runs his own promotional company and whose son, Michael, took the lead role in Andrew Lloyd Webber's *Aspects of Love*.

Aid for Croatia
FRANK Arpino, one of the City's most successful market-makers, has been watching anxiously news reports from war-torn Croatia. Arpino, who has been at Société Générale since 1984, is known to friends as "Frank from the Bank", has been collecting food, money and clothing for Ksenija, his wife, is Croatian, and the couple have managed to send some lorryloads of supplies. "The war is not going to end tomorrow, and we're prepared to do as much as we can," says



spent the year sampling restaurants all over London. The result is a new food guide and a warning to avoid the Square Mile if you can. "City dining is universally bad," says Peter, aged 25, who spent three years in New York with JP Morgan before returning to work on the project. Richard, aged 32, who recently left Samuel Montagu's corporate finance team after five years, once had the audacity to send back a meal at the Dorchester Grill. "It was like a Bateman cartoon," says Peter. "The staff could not believe it."

Pot black
KEITH Lowe, a long-serving member of the dealing team at Lazard Brothers, has had an eventful week. Lowe, aged 49, became a grandfather on Monday, and on Wednesday won an inaugural City snooker challenge. He led a team from Lazard's to victory in the Smith New Court sales trader snooker, helped by Steve Holborn. The pair beat Bob Lawrence. The pair beat Bob Lawrence. The pair beat Bob Lawrence.

Bateman revisited
FOOD in the City is boring and overpriced. So say Richard and Peter Harden, both former bankers, who have

Breakfast feast

EATING is sometimes put forward as a cure for depression. So with markets the way they are, City people need no excuse to attend the Square Mile's biggest annual Beaujolais Nouveau breakfast, hosted by Chester Boyd, the caterer. About 240 guests packed the Founders Hall, Cloth Fair, and HMS Wellington on the Embankment. The amount consumed speaks for itself: nine sides of smoked salmon, 720 eggs, 36 kiwi fruit, six boxes of Special K, five litres of jam, three gallons of cream, 14 gallons of juice, 80lb of gammon, half a gallon of yoghurt, 15lb of cheese, a kilo of caviar, 25lb of wild boar sausages, and ten cases of Beaujolais. Roger Cork, a partner of Cork Gully and son of the late Sir Kenneth Cork, was among the revellers, and Earl Grey was spotted drinking his own brand of tea.

JON ASHWORTH

Investors unimpressed by fast footwork on the floor

From Mr C M Brown

Sir, I have been intrigued by your various headlines over the past few days in which the statement has been made that "fast footwork by dealers results in damage to prices" (November 20). This fast footwork has led to a setback in the 100 Share Index from 2546.6 to 2484.4 as I write on this Wednesday morning. The closing on Tuesday night was 2463.1.

I cannot accept that damage to prices has been restricted, and nor can I accept that "this sort of fast footwork is becoming the envy of traders around the world". On the other hand, I suppose your emphasis on the word "traders" is maybe appropriate, but in the case of "investors" I would suggest that the movement and volatility of the market is scarcely to be envied.

We, in the United Kingdom,

Cut out the meaningless buzz words

From Mr and Mrs W. Eddis
Sir, Mr Longworth (Business Letters, November 16) complains of "estate agents" and other gobbledygook in job ads. The problem goes far deeper.

The largest single problem we have in our Japanese translation business is understanding the original English used in business letters and company introductions. The strings of jargon buzz words, when analysed, often turn out to have little if any real meaning, but none the less they have to be rendered into acceptable but generally, to our regret, equally meaningless Japanese.

I was brought up to believe

dom, seem to have devised a market place in which it is impossible to sell when there is bad news, and it is difficult to buy when there is good news.

In other words, those who wish to make sensible investment decisions are unable to do so.

Perhaps it was always the intention to devise a "trading" floor, rather than providing a vehicle for sensible investors and, if indeed that was the aim, then it has certainly been achieved.

As an investor rather than a short-term trader, I find it difficult to believe your boast that we have a system that is the envy of the world.

Yours faithfully,
COLIN M BROWN,
Ardlui,
Gryffe Road,
Kilmacollin,
Renfrewshire.

that the best methods of communication are the simplest. Why has modern business adopted the practice of never using one simple word when four complex ones can take its place? We should be trying to help our overseas customers understand our message, not to confuse them with language.

Yours faithfully,
WILLIAM EDDIS
AKIKO EDDIS
56 Garendon Green
Loughborough

Letters to *The Times* Business and Finance section can be sent by fax on 071-782 5112.

BUSINESS LETTERS

Why logarithms?

From Mr Brian Lewin
Sir, I'm afraid that Dr Edwards has missed the point of logarithmic graphs. Ten pence up or down is still 10 pence, true, but a 10 pence profit on a 10 pence stock is not the same as a 10 pence profit on a £1 stock, as one represents a 100% return, the other represents a 10% return. Additionally, a 10 pence loss on a £1 stock to be regarded as a 10% loss or a need for an 11.1% gain (loss divided by the remaining value, multiplied by 100%) to get back to where one started.

Logarithmic graphs solve these problems by representing the relative value of a move with respect to the price level, not to actual number of pence move. A 10 pence to 20 pence move would show as the same as £1 to £2: a 10 pence move from £1 would show as 10% of the first move. Additionally, they represent an improved perspective on price for technical analysts, as they can straighten out exponential price moves, allowing for easier setting of price targets, and calculation of support and resistance levels.

Yours faithfully,
BRIAN P. LEWIN,
22 St Olaf's Road, SW6 7DL.

From Mr Michael Gee
Sir, Of course Dr A. W. F. Edwards (Business Letters, November 20) is right; 10p is indeed 10p but the way you look at it is not as irrelevant as he suggests. Ten pence up (or down) on the price of a share when it stood at 50p was very much more significant than a similar movement now that its price is £5.

I am sure that, as he sits reflecting in his armchair, Dr Edwards will agree that a logarithmic scale shows just that.

Yours faithfully,
MICHAEL GEE,
6 Canale Close,
West Heath Road, NW3.

TEMPUS

So far, so good for optimists at C&W

FOR Cable and Wireless, it is the same old story - even if, this time, it is enlivened by a fiercely denied rumour of a rights issue. The shares' premium rating still depends on a rosy view of events post-1997 in Hong Kong, and on the company's profit projections for Mercury.

The latest interim figures suggest that, at the moment, the optimists have a good case. Pre-tax profits were up from £301 million to £351 million. Hong Kong Telephone once again contributed about two thirds of the trading level, with a contribution increased from £190 million to £237 million.

Profits there were helped by a continuation of the colony's robust economic performance. The growth in exchange rates is still running at 6 per cent and in business lines at 9 per cent.

Mercury saw a rise in turnover and trading profits of about 38 per cent, disappointing some analysts. But C&W is sticking to its forecasts that the network will be cash flow positive in three years. Meanwhile, investment will be ploughed in at a rate of £500 million a year, representing half of the group's projected capital spending programme.

This half's figures saw no repetition of the currency swings that cut full-year profits £80 million last time, although benefits from a slightly lower pound were wiped out by weakness in the Jamaican dollar.

As to suggestions of a rights, Lord Young, the chairman and undisputed boss since the departure of Gordon Owen, the creator of Mercury, justifiably points out that a group whose gearing has held at 14 per



Julien: Storehouse losses

cent since the financial year end despite hefty investment has little need of such. Gearing will not be allowed to grow beyond the mid-30s over the next three years. Domestic profit growth will be held back by BT's pricing discounts and the recession, but Paul Norris, of Barclays de Zoete Wedd, the broker, thinks C&W is in line for £720 million this year, up from £609 million. The shares sell on 15 times' profits, as against little more than ten times for BT, a clear indication of the market's long-term faith in C&W. Nearer term, there seems little reason for the shares to outperform.

Storehouse

STOREHOUSE, the BHS, Mothercare and Habitat group headed by Michael Julien, sold over half a billion pounds worth of goods in the six months to October 12 and lost £17.3 million in the process.

The group has produced ever-decreasing profits for the past five years but, given its turnover, this half's loss must be a source of wonder-

ment to shareholders - especially since there are no exceptional items.

Costs at Storehouse have been rising faster than sales for some time. The workforce has been pruned from 20,000 to 14,500 in the past three years but a 5 per cent increase in costs in the first half ate into profits.

Overall the group made a pre-tax loss of £13.9 million (£7.3 million profit) and sales fell to £573 million (£637 million). The loss per share was 2.3p compared with earnings of 1.3p and the dividend is held at 2.5p.

Of the three main businesses, only Habitat improved its position, reducing a loss of £9.7 million to £7.5 million. BHS saw profits of £9.8 million turn into a loss of £7 million and Mothercare lost £2.9 million, down from a profit of £3.6 million.

Richards and Blazer made £100,000 down from £2.3 million.

The group, which has lost market share over a number of years, now has to increase sales. A 1 per cent movement on the sales line in a year makes a £5 million difference to profits. But increasing sales could well mean cutting prices which will hit profit margins.

Analysts are now looking for £10 million profits at best. That puts the shares, up 9p at 99p, on a nonsensical multiple of 61 times earnings. Profits of £28 million for the year to March 1993 would produce a multiple of 21.5, still high.

With such low profits, recovery may be inevitable but there are better retail options. Next and Burton are on lower multiples and Burton is yielding 8.6 per cent to Storehouse's 7 per cent.

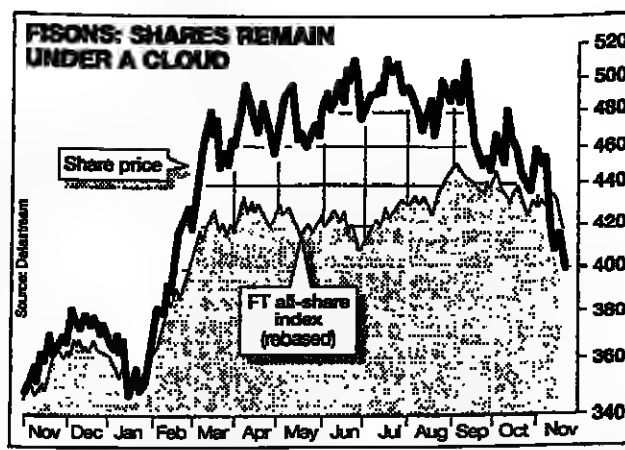
ARCHIE Norman, the chief executive of Asda, faces a herculean task in restoring the fortunes of the troubled supermarket chain. Any remaining suggestions to the contrary were scuppered as the shares touched 36p before finishing 24p lower at 38p - just 54p above the rights issue price - after another big downgrading of profits.

Hoare Govett, the broker, has cut its forecast of pre-tax profits for the year to next April 30 from £126 million to £85 million. This compares with last year's £168.3 million. Patrick Gillam, Asda's newly appointed chairman, has been talking to a number of brokers, including Kleinwort Benson, Charterhouse Tilney and Goldman Sachs. There has been no sign of any improvement in sales. Further downgradings are likely.

The much-publicised food war in the high street is continuing to wreak havoc with the margins of the big supermarket chains. Their misery grew as Kwik Save, 1p lower at 542p, again decided to highlight a list of price cuts. Asda has already announced a price freeze until Christmas. Prices managed to close above the bottom, but falls were still seen in Argill, 2p to 255p, William Low, 5p to 273p, Morrison Supermarkets, 6p to 253p, Nardin & Peacock, 2p to 183p, J Sainsbury, 6p to 324p, and Tesco, 1p to 213p.

Meanwhile, the decision by the Bundesbank to peg German interest rates enabled the rest of the equity market to halve earlier falls. The FT-SE 100 index finished 9.1 lower at 2,463.5 in thin trading. Selling remained light with 534 million shares changing hands.

Wall Street opened with a small rise but dealers were worried about the prospect of



further falls after last Friday's 120-point plunge. Government securities suffered losses of 1/2% at the longer end as fund managers braced themselves for the £1.5 billion tap stock auction.

Hawker Siddeley eased 1p to 719p. The £1.5 billion bid from BTR, down 4p to 377p, closes today. BTR now speaks

Blacks Leisure, the sports and leisure retailer, surged another 13p to a peak of 130p after the company gave a presentation for a number of Scottish institutions. Blacks was rewarded for its efforts by the appearance of a buyer of 500,000 shares. Interim pre-tax profits rose 20 per cent.

for 32.7 per cent of Hawker and a last-minute rush by institutions to accept the bid is expected this morning.

Revived hopes of a counter-bid lifted Ultramar 14p to 330p. Lasmco has made a 1-for-1, all-share offer but has seen its price steadily lose ground. Lasmco rallied 15p to 300p. Fisons eased 4p to 400p on talk that Smith New Court,

the broker, had downgraded its profit forecasts. Smith says that it is, for the time being, keeping to its year-end prediction of £235 million, which is at the lower end of the range of City forecasts, but it gives warning that the forecast is already starting to look too high. The next few weeks will prove crucial to Fisons, which has suffered production problems, preventing it from supplying the American market with two of its drugs.

Lep, the transport and storage group, fell another 4p to 10p as the shock waves from this week's departure of the chairman continued to be felt.

Trafalgar House fell 7p to 215p. The group is now locked in a war of words with Midland & Scottish Resources about Davy Corporation and the Emerald Field rig it was building for Midland. Midland & Scottish tumbled 22p to 30p.

British Gas rose 4p to 255p despite reporting a half-year loss after tax. The shares are regarded one of the best income stocks in the top 100. Storehouse also rose 9p to 99p despite an interim loss of £13.9 million.

MICHAEL CLARK

WALL STREET

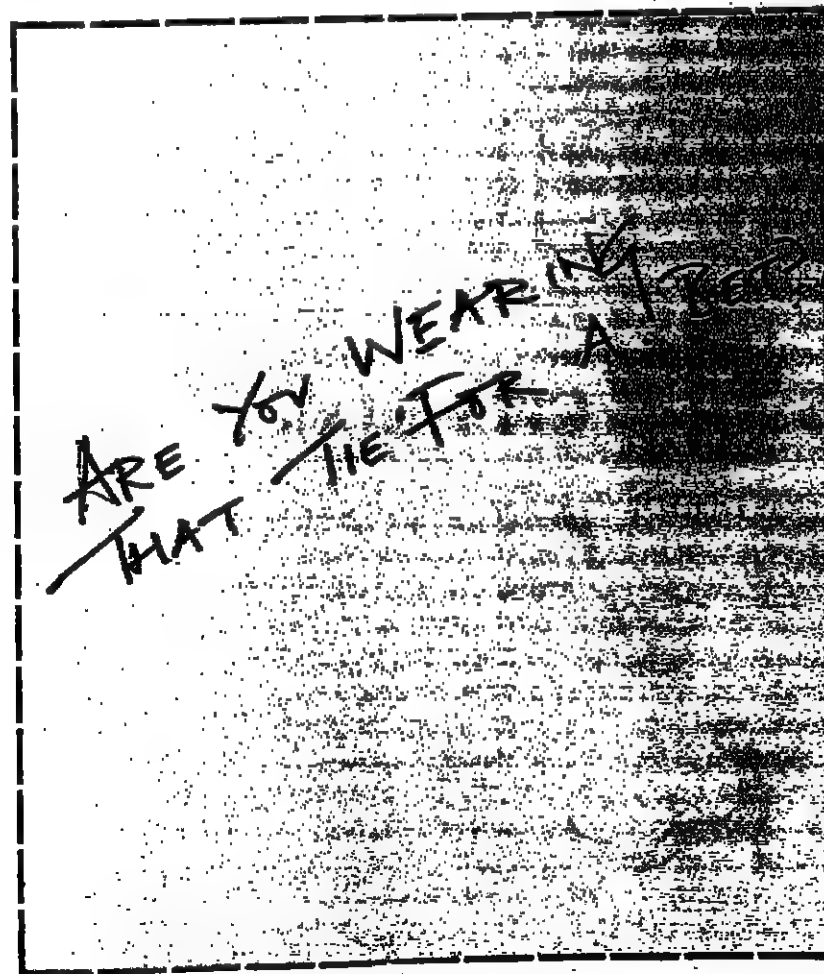
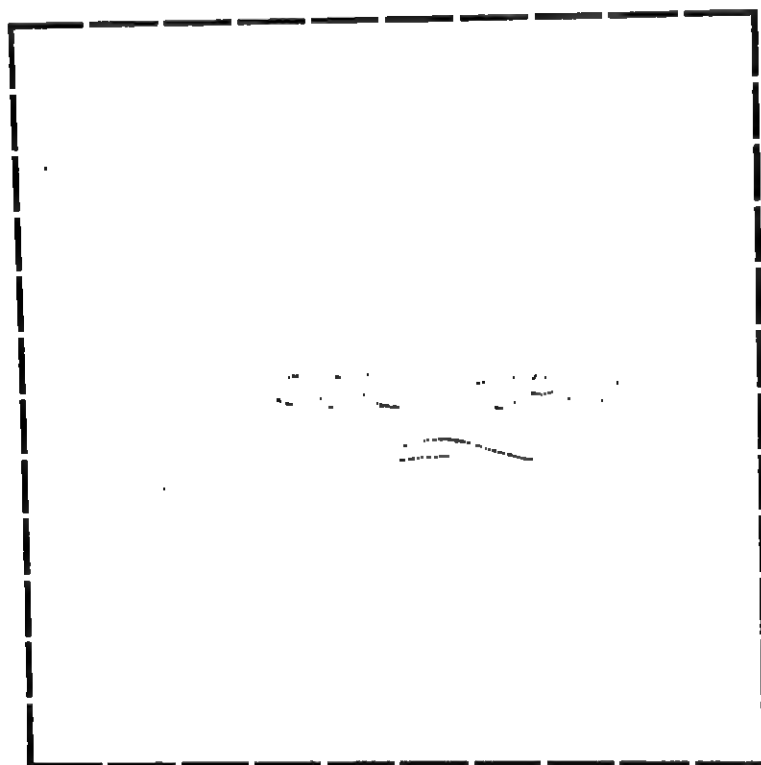
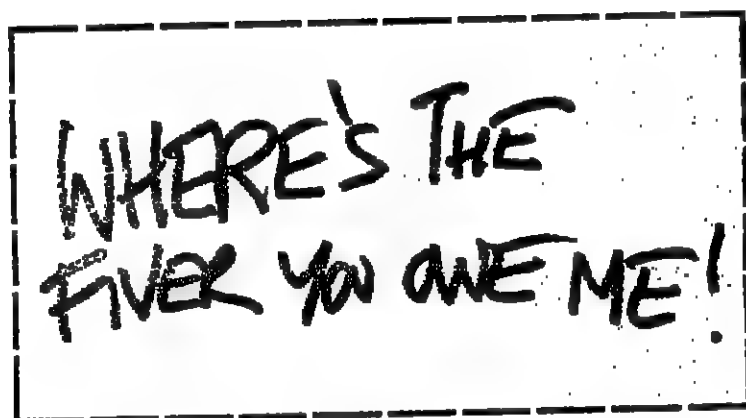
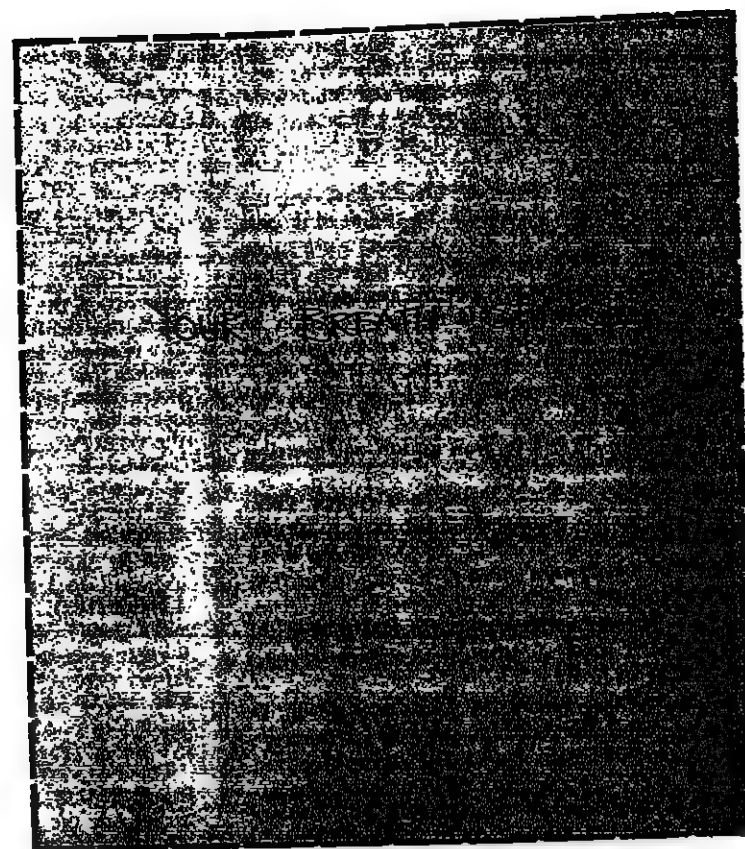
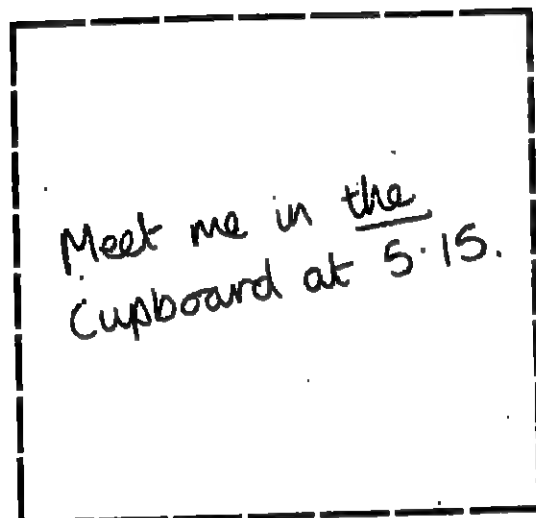
Investors still nervous

New York - Blue chips suffered modest losses in morning trading. The Dow Jones industrial average fell 7 points to 2,923.01 at one stage. Investors remained nervous about holding large equity stakes, or taking on new positions, amid few signs that the economy is recovering sufficiently to lift company earnings enough to meet current price valuations.

□ Tokyo - Shares fell for the seventh consecutive trading day, but because of a late surge ended only slightly easier. The Nikkei index was down 22.02 points, to 23,177.84. Turnover was about 270 million shares, compared with 315 million on Wednesday. (Reuters)

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No	Company	Group	Date of issue
1	Alco Fisheries	Foods	
2	TSS	Banking	
3	Shaw's	Electrical	
4	Park Foods	Foods	
5	Nu-Swift	Industrial	
6	Country Pot	Oil, Gas	
7	Crown De Gt	Industrial	
8	RMC Op	Building, Rls	
9	Contin	Building, Rls	
10	Polk Smt	Breweries	
11	Dalry	Foods	
12	BAA	Transport	
13	Comau	Industrial	
14	Capita Group	Industrial	
15	Taylor Wood	Building, Rls	
16	Logis	Electrical	
17	Swanley	Building, Rls	
18	High Point	Industrial	
19	Trane World	Leisure	
20	Br Land	Property	
21	Hwyd Wm	Building, Rls	
22	Woodside	Oil, Gas	
23	Pharo-Mc	Industrial	
24	Greyston	Property	
25	Mountainview	Property	
26	Harrold Crd	Industrial	
27	Exp Co Ltd	Oil, Gas	
28	Europac	Leisure	
29	Westpac	Banking	
30	Florida Motor	Motor, Air	
31	Owens Abt	Leisure	
32	Northumbrian	Water	
33	Stun Food	Foods	
34	Amoco	Building, Rls	
35	Nat Asst Bk	Banking	
36	Booker	Foods	
37	Wood (Antar)	Industrial	
38	Leeds Ind	Industrial	
39	Appl Wiggins	Paper, Print	
40	Reams	Industrial	
41	Conch	Industrial	
42	Fluor	Industrial	
43	Reckitt	Chem, Pharm	
44	Electrocomp	Electrical	

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Weekly Dividend

Please make a note of your daily trade for the weekly dividend of £4,000 in tomorrow's newspaper.

MON TUE WED THU FRI SAT SUN

Two readers shared the Portfolio Platinum prize yesterday, Mrs Pamela Wright, of Worcester, and Mr Alan Clegg, of Guildford, each received £1,000.

1990/91 High Low Company Price + - % P/E

BANKS, DISCOUNT, HP

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BUILDING, ROADS

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THE TIMES UNIT TRUST INFORMATION SERVICE

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BRIEFINGS

By SIMON WALSH

Winning smile: Fay McGrath says domestic service is a profession

make a good living for herself and have a lot of freedom. It's a good business for a woman like me. Overheads are very low. Depending on what kind of salary one

wants to pay oneself, I believe an agency like this can be made profitable within a year." She established her first UK operation at Windsor last January.

□ Oxford Science Park has gained a seedcorn capital fund, aimed at offering cash to high-technology businesses there for development of products. The £3 million fund has been launched by NatWest's technology unit.

EDITED BY DEREK HARRIS

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BUSINESS SERVICES

1. *Chlorophyll a* (Chl *a*)

Bruno's credibility reduced by Duff choice

IT IS good to have Frank Bruno back. He sells newspapers, cheers up television viewers and does boxing a service. The supporters absolutely loved every minute of the three minutes of his comeback bout at the Albert Hall on Wednesday night.

As Mickey Duff, the promoter of the show, said: "Did you hear any boos? When did you see a fight end as quickly as that and the crowd so ecstatic?"

But as a contest, it was a flop. The opponent, John Emmen, of The Netherlands, was not good enough to bring out how much Bruno still has left in him after an absence of nearly three years from the ring.

Duff had felt that Bruno deserved an easy opponent because

he had been out of action for so long. "Bruno was not like Sugar Ray Leonard, who was in training all the time; he had actually retired," he said. Duff realised now that he leaned over too far backwards and has to find a more credible opponent next time.

Bruno will be going back to pantomime and will return to the gym in February, so Duff has until March to find Bruno's next opponent. He knows it will not be an easy job. This time, the British Boxing Board of Control will make sure the opponent is a more solid one.

John Morris, the secretary of the board, admitted he had misjudged Emmen's ability. He said: "The next time we are going to make sure he has a better oppo-

Despite promising signs, British boxing should reserve judgment on its favourite son until he faces a tougher opponent, Srikanth Sen, Boxing Correspondent, says

nent. I was very disappointed. I did not know too much about Emmen but I spoke to the EBU [European Boxing Union] and the ratings committee and they said if Frank is anything like the old Frank Bruno then no, but for the first fight, Emmen is fully capable of giving him a fight."

Duff wants to give Bruno two more bouts before June and then put him in against someone of the level of Francesco Damiani, of Italy, the European champion,

who took three rounds to beat Emmen, next autumn. "Much depends on how he looks in his next fight," Duff said. "I haven't thought about his next opponent."

Duff will be going to Atlanta for the world heavyweight championship bout between Evander Holyfield and Bert Cooper tomorrow. Lennox Lewis, the British and European heavyweight champion, will be boxing Tyrrell Biggs on the undercard, and Duff could

well take another look at Biggs. He is a good name but does not take a punch too well. He could be the one for Bruno next time. After all, Gary Mason knocked him out in seven rounds.

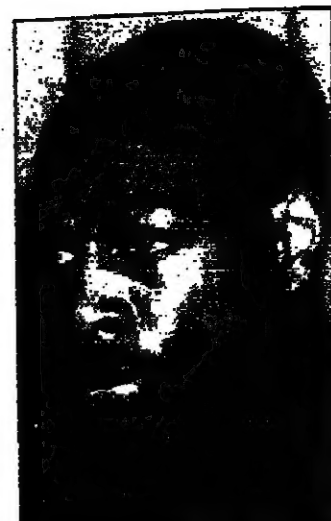
Even if the bout with Emmen did not last long enough to form a sensible opinion about Bruno's prospects, the general press view was that Bruno mark two was no better than Bruno mark one, and as such, he has little or no chance of making his way in a world that is more competitive than the one he knew three years ago.

His main flaws are still poor defence and an inability to fight when pushed back. His trainer, George Francis, has been working on parrying and covering up, but getting him to fight his way out of

trouble would prove difficult. Bruno is too nice a man to be much more than an "on top fighter".

However, I felt from the boxing point of view he was much better than before, more relaxed and loose. He was not only less mechanical but also appeared to be reading the contest as it progressed, rather than working to a pre-arranged plan.

The first big left hook to the stomach, which almost doubled Emmen up, was a punch of the highest class. I cannot remember him ever throwing a punch with such authority. Even the punch he threw when Emmen was down can be taken as a sign of greater fluency. It was the wrong move but the right direction.



Bruno: less mechanical

TENNIS

S Africa's reforms at risk from protests

From Andrew Longmore, Tennis Correspondent in Johannesburg

IN A land which has seen 11,000 deaths this year from political violence, the arrest of 41 demonstrators for throwing bags of seeds on to a tennis court at the ATP doubles championships here was hardly the stuff of revolution. In fact, there was some relief at the stadium yesterday that the trouble was so limited and had been settled, at least in the public eye, with the minimum of force.

For a start it gave the Association of Tennis Professionals, the sponsor, Standard Bank, and Tennis South Africa (TSA), the new representative body of the game, the chance to tighten security and try to head off further disruption promised by the supporters of the Tennis Association of South Africa (Tas), the Coloured group which voluntarily withdrew from the unification process.

The timing of the trouble was certainly unfortunate because it marred what should have been an historic day for South African sport, but as one leading administrator put it: "The dogs bark when the bus goes down the street, but the bus doesn't stop." In other words, there will be protests, but the reforms go on. Better that the outside world learns now that all is not rosy in the sporting garden.

Among the many ironies of the present changes — not least of which was a member of the national executive committee of the African National Congress calling passionately for sport to be kept free of politics — is that tennis, which is alongside cricket at the head of the move towards true sporting unity, is being hit precisely because it is moving too fast towards that goal.

Tas, a group controlled by the South African Council of Sport and aligned with the left-wing Pan Africanist Congress, accuses the TSA of unifying at national level without having the regional structure to support it, and of organising tournaments before it has achieved unification. There is more than a grain of truth in both claims, but behind them is a more blatant political aim, epitomised by the old apartheid cry "no normal sport in an abnormal society" emblazoned

on one of the protesters' banners. Only when there is one person, one vote, will Tasa — and its equivalents in other sports — play ball, and that could take months.

In the mean time, the TSA is funding programmes worth just over £1 million to stimulate the game among black people in the townships and rural areas. The results of previous programmes sponsored by Sasu are already bearing fruit. The top two under-14 players in South Africa, Jofa Coetzee and Jason Shoenkemp, are Coloured. But the grass growing knee high on the courts at Kwa Thema and at the Arthur Ashe Foundation in Soweto bears more eloquent testimony to years of dereliction and misplaced priorities. The locals deemed the wire netting more useful for building shanty towns than protecting tennis courts.

Now, the TSA is to invest £50,000 in renewing the Kwa Thema courts. So what guarantee is there that the people's priorities have changed? "Before everything was done by the government. The courts were suddenly put down and that was that," Moffat Lephuthing, of the TSA, says. "This time, we will involve the communities, make them realise the courts are ours, I'm confident it will happen."

Lephuthing, who is black, is co-ordinator of development in the townships. Last Tuesday, for the first time under the banner of the TSA, 600 children aged between five and 22 came to Ellis Park for coaching. "The problem is that most of the really talented kids come from poor backgrounds and they get no help and they receive little help from clubs or in the schools."

Over half of the funding for the TSA development projects comes from sponsorship. In return, sponsors want international tournaments to generate publicity and profits. Contrary to opinion outside, the coffers are not overflowing. In calling for an end to this tournament, therefore, the supporters of Tas are cutting off a vital source of cash for their own people, and that is perhaps the biggest irony of the lot.



Poise and balance: Capriati prepares to return to Tanziat in the Virginia Slims championships in New York

Capriati overcomes fitness problem

From Barry Wood in New York

WHILE Monica Seles cruelly exposed the limitations of Julie Halard with a 37-minute 6-1, 6-0 assassination, Jennifer Capriati was taken to the brink of defeat by Nathalie Tauziat before reaching the quarter-finals of the Virginia Slims championships yesterday.

There are several reasons behind Capriati's difficulty in winning 5-7, 6-0, 7-6. She is suffering from a groin strain, aggravated against Seles during the Philadelphia final last Sunday, and she found it difficult to move wide to the ball. Tauziat is also an able opponent, with wins over

three top-five players this year.

Finally, Capriati is showing, at 15 years of age, disturbing signs of developing a weight problem. She looked a little pudgy, and there are indications of a double chin. Pavel Slozil, with whom she begins working next month, will obviously have to take her in hand.

Seles, who exceeded Martina Navratilova's record single-year earnings of \$2,173,556 with her victory, received only a lukewarm reception from the crowd of 12,000. Halard was overpowered and outclassed by Seles, who, after recovering from 0-40 in the opening game, conceded just 16 points. Meanwhile, Gerry Smith, executive director of the

Women's Tennis Association (WTA), has attempted to defuse the controversy surrounding plans to break away from the Women's International Professional Tennis Council, the sport's governing body.

Although contracts with Kraft General Foods and Junior Slims are not due to expire until 1995, rumours have suggested that the WTA was prepared to go out on their own as early as 1993. "We will honour our agreements," Smith said. "We don't want to be revolutionary, we want to be evolutionary."

FIRST ROUND: J. Novotna (CZ) bt M. Makrenko (UKR) 6-0, 6-0; M. Seles (FR) bt J. Halard (FR) 6-1, 6-0; J. Capriati (US) bt N. Tauziat (FR) 5-7, 6-0, 7-6.

Galbraith and Todd Witsken beat Tom Nijssen and Cyril Suk, 7-6, 6-2, in the opening match on the second day of the Standard Bank world doubles championships, and the top seeds, John Fitzgerald and Anders Jarryd, beat the Canadians, Grant Connell and Glenn Michibata, 7-6, 6-4, for a semi-final place.

On court yesterday, Pat Galbraith and Todd Witsken beat Tom Nijssen and Cyril Suk, 7-6, 6-2, in the opening match on the second day of the Standard Bank world doubles championships, and the top seeds, John Fitzgerald and Anders Jarryd, beat the Canadians, Grant Connell and Glenn Michibata, 7-6, 6-4, for a semi-final place.

On court yesterday, Pat

Event's lesser lights seize the chance to shine

Johannesburg — Jimmy Connors, John McEnroe, Jim Courier and Michael Chang were among players approached to compete here in the South African Open next week. But Connors and McEnroe set too high a price for Tennis South Africa (TSA), the united body which is organising the \$120,000

challenger (Andrew Longmore writes). Connors, it is believed, wanted more than \$300,000 to play and McEnroe \$200,000. "We just don't have that sort of money," Johann Barnard, the vice-president of TSA said yesterday. "They were among our most vigorous critics in the past, now

they should help us." The entry of 32 includes Goran Ivanisevic, Pat Cash, Jakob Hlasek and Petr Korda, the world No. 9, who will be the top seed, but the idea that there will be unlimited finance for this sport-starved country is a problem administrators might come across often.

On court yesterday, Pat

Galbraith and Todd Witsken beat Tom Nijssen and Cyril Suk, 7-6, 6-2, in the opening match on the second day of the Standard Bank world doubles championships, and the top seeds, John Fitzgerald and Anders Jarryd, beat the Canadians, Grant Connell and Glenn Michibata, 7-6, 6-4, for a semi-final place.

On court yesterday, Pat

SPORTS POLITICS

Manchester need a united front in bid for Games

From David Miller in Monte Carlo

JOHN Holt concluded here his last main public function as general secretary of the International Amateur Athletic Federation. When he joins the Manchester Bid Committee for the 2000 Olympic Games, in January, there will be few in sport who have a closer working knowledge of what a host city requires.

The size of Manchester's task has mounted with the emergence this week of a powerful campaign by Milan, energetically supported by the Italian Olympic Committee (Comi). Milan are making their first public presence at the meeting of the European National Olympic Committees (NOCs) today in Istanbul. Bob Scott, the Manchester chairman, arrived there on Wednesday accidentally without a passport, but such was the reception at the airport that Turkish immigration officials were obliged to admit him on sheer public acclaim.

"It is important that we are the strongest bid from a European city," Holt said yesterday at the International Athletic Foundation's sixth annual gala. "The strength of the unsuccessful 1996 bid was the ease of travel between stadiums and village, and that has to be emphasised again, together with the creation of new facilities. Several IOC [International Olympic Committee] members, such as Un Yong Kim, of South Korea, have told me of their enthusiasm for Manchester, but that our plans must have moved beyond the drawing-board stage."

Milan's candidacy was unsure until recent confirmation of backing by Copi and by central government. This illustrates the importance of support for Manchester from the British Olympic Association and from Westminster, the former not visibly evident up to now; if anything, it is damagingly lukewarm. British interest is not served, for

instance, by criticism of Manchester, by Ron Emes, chairman of the Central Council of Physical Recreation, at a recent conference in Sweden. Such elected officers of national bodies should show a united British front even when, as in the case of Emes, he was associated with the defeated London bid.

Manchester have this week provided answers to the 20 or so points raised by John Major at their first meeting with the prime minister, and are scheduled for a second meeting on December 16.

A united British front has previously been seen as the romantic favourite from Europe, but recent political demonstrations by neo-Nazis, including violent destruction in Brussels at Wednesday's European championship qualifying football match, has seriously dented their image.

The early publicity material from Milan, the economic capital of Italy, is formidable: a new airport at Malpensa, new congress, business and technology centres, a developed rail and road system and central station, and a projected main stadium with the ultimate in sophisticated communication by which television viewers can select their own viewing point. All this, however, has to be coordinated within the reality of a tangible Olympic programme, the same problem that faces Barcelona.

The encouraging news from all bidding cities is that the IOC is formulating plans for rationalising the voting process in time for the 2000 decision in 1993, at the Session here in Monte Carlo.

Possibilities under discussion by the special sub-committee of the IOC executive are expected to be a preliminary reduction of candidates, perhaps to two or three, and maybe even for the final vote to be taken by a combined panel of nominated IOC members plus international federation and NOC representatives. This would circumvent the opportunity for 90 IOC members to travel the world "fact finding".

The acknowledged corruption in the voting process of a small minority of IOC members is causing untold harm. Leading figures, such as the vice-presidents, Keba M'baye, of Senegal, and Kevan Gosper, of Australia, are working diligently at producing a formula which will protect the IOC's, and their own, reputation for fair dealing.



Holt is joining bid

Japanese look to their idol for home success

JAPAN'S racing heart-throb was nowhere to be seen and the first race was more than 48 hours away, but that did not stop around 5,000 spectators making their way to Tokyo racecourse by break-fast yesterday.

In between watching recordings of European races on one of the two giant screens in the middle of the course, the respectfully quiet crowd concentrated on the workouts by some of the foreign competitors in the Japan Cup on Sunday, searching for vital clues to try to identify the winner of the \$660,000 first prize.

The nation's racing aficionados were checking to see if there were any obvious dangers to Mejiro McQueen, who will start a strongly-backed favourite.

Arguably the best Japanese racehorse for a decade, Mejiro McQueen will be ridden by the youthful Yutaka Take. The young

Richard Evans, Racing Correspondent, observes the promotional circus of Tokyo's big turf event

jockey enjoys great popularity outside as well as inside turf circles — "especially among young women", according to his biographical notes.

The eleventh running of the Japan Cup is probably the most open, and the "if factor" is a significant one.

If Rock Hopper's form has not been affected by an injury-induced lay-off, he must be in the shake-up; if Shafesbury Avenue stays a mile and a half, Australia must have a chance of winning the race for the second year running; if Golden Pheasant recaptures his Arlington Million or Nashwan-defeating form, the lone American rider

will surely provide Charlie Whittingham with another big-race triumph; if Terimon's appearance and work here are anything to go by, Lady Beaverbrook should have the champagne on ice. And so on.

Trainers, jockeys and lads were questioned at length at a press conference attended by at least 150 Japanese journalists and numerous television crews, in an attempt to eliminate some of the ifs.

Fat chance. Have you ever heard a trainer declare (before a race): "My horse travelled badly. I hate your racetrack and I don't think my horse has got much chance of winning?"

No. Every horse loved being flown halfway round the world, every jockey loved the firm going, every connection was delighted with his runner's progress at the tail end of a long season, etc, etc.

A few gems did emerge from the hour-long cross-examination. Unlike their American and Australian counterparts, British trainers are not used to such a concentrated media spotlight.

Lord Huntingdon, trainer of Drum Taps, was at his most inscrutable when asked if his five-year-old horse could clock 2min 25sec, the time deemed necessary to win the big race. "We will know on Sunday," he said. The titled trainer's dry wit was slightly lost on the domestic press corps.

Lafranco Dettori, a wonderful ambassador abroad, slipped up when he was asked about his racing tactics for Sunday. He whispered briefly to Lord Huntingdon, perhaps forgetting for a moment that one of the reasons for Japan's economic success is the performance of Sony and others in developing highly

sensitive recording equipment. The Italian sotto voce was quickly picked up and amplified. "Shall I tell them?"

Of the British contingent, Terimon has looked the most impressive. His coat still retains a summer gleam and Michael Roberts had a devil of a job in pulling him up after working on the grass track yesterday.

Jimmy Scott, Michael Stoute's head travelling lad, will partner Rock Hopper in his first piece of serious work at the house this morning.

But the thousands of Japanese eyes will be looking elsewhere, especially if they are female. Mr Take, who appears to be much sought after in every sense, will partner his mount at the racetrack for the first time. Funnily enough, there have been very few ifs about Mejiro McQueen.

More racing, page 37

CYCLING

Early time-trials may decide Milk Race

By Peter Bryan

AN INDIVIDUAL time-trial and one for teams on the first two days next year of the 1,100-mile Milk Race route, which was announced yesterday by the National Dairy Council, could be the decisive stages.

The race returns to Penzance, the starting point this year, for the individual prologue time-trial on May 24 before a split stage the next day, a 14-mile team time-trial from Land's End to Penzance followed by the first road racing stage, from Bodmin to Bideford.

The team time-trial, involving 18 squads starting at three-minute intervals, will be on roads closed to all other traffic for the first time in the 35-year history of the event.

The route, through Wales, the Midlands and Lancashire,

makes the west-to-east crossing of England from Blackpool to Darlington before finishing with a circuit race in Lincoln on June 6.

Twelve amateur and six professional teams of six riders compete, but it is not known whether Banana-Falcon, the winners in 1990 and this year, will defend the title. Chris Walker is now riding for a United States team with another former Banana-Falcon, Rob Holden. Banana-Falcon have still to confirm their 1992 team sponsorship.

ROUTE: May 24: Prologue time-trial, Penzance. 25: Land's End to Penzance, team time-trial. Bodmin to Bideford. 26: Bideford to Bideford. 27: Bideford to Bideford. 28: Bideford to Bideford. 29: Bideford to Bideford. 30: Bideford to Bideford. 31: Bideford to Bideford. 32: Bideford to Bideford. 33: Bideford to Bideford. 34: Bideford to Bideford. 35: Bideford to Bideford. 36: Bideford to Bideford. 37: Bideford to Bideford. 38: Bideford to Bideford. 39: Bideford to Bideford. 40: Bideford to Bideford. 41: Bideford to Bideford. 42: Bideford to Bideford. 43: Bideford to Bideford. 44: Bideford to Bideford. 45: Bideford to Bideford. 46: Bideford to Bideford. 47: Bideford to Bideford. 48: Bideford to Bideford. 49: Bideford to Bideford. 50: Bideford to Bideford. 51: Bideford to Bideford. 52: Bideford to Bideford. 53: Bideford to Bideford. 54: Bideford to Bideford. 55: Bideford to Bideford. 56: Bideford to Bideford. 57: Bideford to Bideford. 58: Bideford to Bideford. 59: Bideford to Bideford. 60: Bideford to Bideford. 61: Bideford to Bideford. 62: Bideford to Bideford. 63: Bideford to Bideford. 64: Bideford to Bideford. 65: Bideford to Bideford. 66: Bideford to Bideford. 67: Bideford to Bideford. 68: Bideford to Bideford. 69: Bideford to Bideford. 70: Bideford to Bideford. 71: Bideford to Bideford. 72: Bideford to Bideford. 73: Bideford to Bideford. 74: Bideford to Bideford. 75: Bideford to Bideford. 76: Bideford to Bideford. 77: Bideford to Bideford. 78: Bideford to Bideford. 79: Bideford to Bideford. 80: Bideford to Bideford. 81: Bideford to Bideford. 82: Bideford to Bideford. 83: Bideford to Bideford. 84: Bideford to Bideford. 85: Bideford to Bideford. 86: Bideford to Bideford. 87: Bideford to Bideford. 88: Bideford to Bideford. 89: Bideford to Bideford. 90: Bideford to Bideford. 91: Bideford to Bideford. 92: Bideford to Bideford. 93: Bideford to Bideford. 94: Bideford to Bideford. 95: Bideford to Bideford. 96: Bideford to Bideford. 97: Bideford to Bideford. 98: Bideford to Bideford. 99: Bideford to Bideford. 100: Bideford to Bideford.

FOOTBALL

7.30 unless stated

Barclays League

Second division

Tranmere v Swindon

Third division

Bournemouth v Brentford (7.45)

Wigan v Barnsley

Fourth division

Hull City v Scarborough (7.45)

Rotherham v Walsley

NORTHERN LEAGUE: First division

Preston North End v South Shields

RUGBY LEAGUE

YOUNGERS ALLIANCE (7.30): First division

Wigan v Wigan (7.30): Second division

Wigan v Wigan (7.30): Third division

Wigan v Wigan (7.30): Fourth division

Wigan v Wigan (7.30): Fifth division

Wigan v Wigan (7.30): Sixth division

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Wigan v Wigan (7.30): Seventeenth division

Wigan v Wigan (7.30): Eighteenth division

Wigan v Wigan (7.30): Nineteenth division

Wigan v Wigan (7.30): Twentieth division

Wigan v Wigan (7.30): Twenty-first division

Wigan v Wigan (7.30): Twenty-second division

Wigan v Wigan (7.30): Twenty-third division

Wigan v Wigan (7.30): Twenty-fourth division

Wigan v Wigan (7.30): Twenty-fifth division

Wigan v Wigan (7.30): Twenty-sixth division

Wigan v Wigan (7.30): Twenty-seventh division

Wigan v Wigan (7.30): Twenty-eighth division

Wigan v Wigan (7.30): Twenty-ninth division

Wigan v Wigan (7.30): Thirtieth division

Wigan v Wigan (7.30): Thirty-first division

Wigan v Wigan (7.30): Thirty-second division

Wigan v Wigan (7.30): Thirty-third division

Wigan v Wigan (7.30): Thirty-fourth division

Wigan v Wigan (7.30): Thirty-fifth division

Wigan v Wigan (7.30): Thirty-sixth division

Wigan v Wigan (7.30): Thirty-seventh division

Wigan v Wigan (7.30): Thirty-eighth division

Wigan v Wigan (7.30): Thirty-ninth division

Wigan v Wigan (7.30): Fortieth division

Wigan v Wigan (7.30): Forty-first division

Wigan v Wigan (7.30): Forty-second division

Wigan v Wigan (7.30): Forty-third division

Wigan v Wigan (7.30): Forty-fourth division

Wigan v Wigan (7.30): Forty-fifth division

Wigan v Wigan (7.30): Forty-sixth division

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Taking up the Challenge: the skippers named by Chay Blyth to compete in next year's British Steel Challenge round the world yacht race (left to right): Richard Tudor, aged 32, sailmaker, from Pwllheli; Paul Jeffes, 38, boatyard manager, from the Clyde; Adrian Donovan, 33,

charter boat skipper, from Plymouth; Michael Golding, 31, fireman, from Slough; Vivien Cherry, 32, engineering manager, from Wokingham; Alec Honey, 48, from Littlehampton, who heads the AA's continental emergency centre at Boulogne; Pete Goss, 29, former Royal

Marine commando, from Torpoint, Cornwall; John Chittenden, 51, master mariner, from London; Will Sutherland, 46, management training instructor, from Scaynes Hill, Sussex; and Ian MacGillivray, 35, boatbuilder, from Southampton.

Skippers selected for sea challenge

By BARRY PICKTHALL

A FIREMAN, two boatbuilders, a former Royal Marine commando and a female environmental engineer are among ten intrepid sailors named by Chay Blyth yesterday to skipper the ten identical yachts in next year's British Steel Challenge round the world race.

For Vivien Cherry, an environmental engineer, who beat 160 applicants to the job, the eight-month race is "the ultimate sail". A veteran of the Fastnet and two-person Round Britain races, the Australian Three Peaks event, together with the OSTAR and Two-Star transatlantic marathons, Cherry said: "It's a fantastic challenge and I can't wait to get started."

Ranked against her, however, are some well-known and experienced yachtsmen, including John Chittenden, who skippered the British cruising maxi, Creightons Naturally, in the 1989 Whitbread Round the World race, and Pete Goss, a transatlantic

race class winner who has spent the past six months training the crews for the challenge ahead.

Michael Golding, a fireman, is another circumnavigator who also has four transatlantic races to his credit.

The lesser-known figures proved themselves aboard the first of Blyth's identical 67ft steel yachts, British Steel Challenge, during a round Britain cruise earlier this year. "We were looking not just for sailing ability but leadership qualities," he said.

Adrian Donovan, like Chittenden, has served his time in the merchant navy. He has also competed in the two-handed transatlantic race and was the winning skipper of this year's Trans-Arc race.

The crew of 120 have each paid £15,000 to compete in the race. The skippers take over their yachts on April 2, leaving them six months to mould their crews before the race starts from Southampton on September 25.

Clubs attempt to alter Scottish League structure

By RODDY FORSYTH

THE Scottish premier division, which was enlarged to 12 teams only this season, may be reconstituted yet again next year if radical proposals by the leading clubs are accepted by the other League members.

An eight-page discussion document, which was presented to the Scottish League management committee yesterday, suggests such innovations as a month-long winter break and the division of the premier and first divisions in mid-season.

The discussion paper is primarily the work of Rangers and Aberdeen, although both clubs were at pains yesterday to stress that they had consulted with a number of other clubs. They hope that by the time formal proposals are put before the League, perhaps at the end of the season, they will have the support of all premier division clubs and at least half of those in the first division.

It is proposed that in mid-season, after each premier division club has completed 22 games, the top eight teams separate from the rest to play for the title and the European club competition places. The bottom four clubs would join

the top four in the first division to begin a fresh series of games, which would decide the four teams to make up the premier division for the following season. The scheme is similar to the league structure of a number of European countries, such as Switzerland and Austria.

The first half of the season would conclude on January 1 and would be followed by a four-week winter break. The second stage would get under way with the third round of the Scottish Cup. The break would affect only the top 16 clubs. The rest of the first division and all of the second division would continue playing, with the pools promoters' money divided amongst them.

League fixtures for premier division clubs would thus be reduced from 44 games to 36, with 34 played on Saturdays. International matches would be played either on free Saturdays or on Wednesdays after free Saturdays.

Reserve and youth-team football would be restructured, with premier division youth-team players being farmed out to second division clubs on a quota basis. The league season would begin and finish a week earlier.

Plan to host 1996 European football finals takes shape

Grounds for optimism over England's bid

By STUART JONES
FOOTBALL CORRESPONDENT

THREE of the four venues in which England plans to stage the finals of the European championships in 1996 have been determined. The Football Association will learn next week that the grounds to be used are Old Trafford and Villa Park, as well as Wembley, naturally the main arena.

A site in the North-East is needed to complete the geographical spread, but a suitable all-seater stadium which must be capable of accommodating at least 30,000 spectators has not yet been found there. Those still under consideration are Roker Park, Sunderland, and St James' Park, Newcastle, as well as

Elland Road, the Yorkshire home of Leeds United.

Ayresome Park was the North-East's representative during the World Cup finals in 1966 but, although Middlesbrough are in contention for promotion to the Premier League, their ground has yet to be adequately developed. Should all three of the alternatives also fail to meet the requirements, the organisers would reluctantly look elsewhere.

Merseyside (either Anfield or Goodison Park) or North London (Highbury or White Hart Lane) are the alternative locations included in the proposals designed by Glen Kirton, the head of external affairs at the FA. The details

are to be submitted to the governing body before the end of next week.

"I think it would show a lack of courtesy to discuss the plans before they have been seen by Uefa," Kirton said yesterday. "However, it is fair to say that we are hopeful that we can bring the biggest football occasion to England since 1966."

The bid, submitted at the end of last year, was reinforced during the summer when, on the advice of Uefa, the European football union, plans to host the World Cup in 1998 were dropped. The diplomatic withdrawal, leaving France as the strong favourite for the global tournament, allowed Kirton to concentrate

his energies on the European championship.

The project is on a more manageable scale. Whereas Italy had either to refurbish or to rebuild a dozen arenas in order to hold the last World Cup, for instance, Sweden has had to redecorate only four, in Gothenburg, Malmö, Norrköping and Stockholm, for the European finals next summer.

England's bid is regarded as more competitive than either of the other contenders, Spain, the host of the 1982 World Cup, and The Netherlands. It is perhaps significant that Wembley has already gained the approval of Uefa as the venue of the European Cup final on May 20. Official confirmation is to be announced next month.

Wembley has not been used for such an occasion for 13 years, since Liverpool became champions by beating Bruges 1-0. It will be the focal point of the tournament in 1996 if, as expected, Uefa decides next year to award England the event.

England, qualifying automatically as the hosts, would play all of their games there. To maximise the income, the biggest stadium in the country would also be used for both of the semi-finals, as well as the final itself.

FA officials will back last year's World Cup supporter strategy to try to ensure a trouble-free championship in Sweden involving English and Scottish supporters. David Bloomfield, an FA spokesman, said: "We are planning an identical process and will have meetings with the host nation and the clubs drawn in our group."

A decade four-week break, three times the annual holiday of most Japanese professionals. Leisure is still something of an alien concept in Japan. Baseball, one of the few professional sports in the country, has turned into a revolving door for the scores of Americans attracted by lucrative contracts who soon find that they cannot take the exhausting year-round training schedules and the strict enforcement of the concept of suppression of individualism to cultivate team spirit.

Grampus Eight will not, however, be likely to let go of their biggest potential draw. Hiraki says that Grampus will do their utmost to make Lineker and his family comfortable.

But, apart from devoted students of the ugliest side of the Japanese economic miracle, there are not many foreigners to be found in Nagoya, where the Lineker family will live. This is one of Japan's most conservative and concrete-ridden industrial cities. The Linekers will be living in a house looking out on the central highway interchange, which is one of Nagoya's most celebrated features.

But, memorising 2,000 Japanese characters and learning how to swallow raw sea urchin and pickles for the early-morning team breakfast is going to be the easy part. For if Lineker thought his spell in Japan would earn him a respite from the arduous English League schedule, he was mistaken. The Japanese play an 11-month season with a minimum of 50 matches. Then, he gets his first few days off,

Botham may be considering a move to S Africa

FROM ANDREW LONGBOW IN JOHANNESBURG

IAN Botham may play in South Africa next year. Botham, who is on a speaking tour of the country with Fred Trueman and Dickie Bird, is believed to have had talks with the Currie Cup champions, Western Province, with a view to joining them at the end of next summer.

Western Province officials would not confirm the approach, but the timing would fit in well with the England all-rounder, who will start a new county career with Durham next season after helping

Worcestershire to two county championship titles. Botham, who was a vocal critic of apartheid, has turned down lucrative offers in the past to tour South Africa with unofficial England teams. But now that the Republic has been welcomed back into international cricket, Botham could be the first of many English players to compete in a South African provincial competition in the next few years.

Botham, who will be 36 on Sunday, would still be a big captain for a county, desperate to attract players of international experience, particularly as he represented his England career in the first Test against the West Indies at the Oval in the summer.

Botham needs to play one Test in New Zealand in the new year to reach 100 caps, though his appearance in England colours will be delayed by a starring role in the pantomime *Jack and the Beanstalk* in Bournemouth. His last spell overseas, however, was not a great success. He was dismissed by Queensland in 1988 after barely one season.

England sweep past Australia

FROM RICHARD EATON IN BARCELONA

THE England women's table tennis team scored a 3-0 victory over Australia here in the World Team Cup yesterday, which put them third in their group and pleased their captain, Jill Parker. Victories against North Korea and Hungary had never been likely, but to finish so well against such an improved side was an encouraging sign.

Australia's improvement is

greatly due to the introduction in their team recently of two players from Canton, Gina Hui, whose patience Lisa Lo-mas, the England No. 1, gradually eroded to beat 21-17, 21-9, and Kwok Ying, whose attack was not quite so good as the counter-attack of Andrea Holt, who won 21-17, 21-19.

Kerri Tepper, the former Australian No. 1, held three match points in the last match, but met stern resistance from Fiona Elliot, who won 14-21, 21-16, 23-21. The men produced one of their finest performances the night before, coming within two points of beating the world champions, Sweden.

Carl Prean managed a career-best performance, beating the world champion, Jorgen Persson, and the Olympic bronze medalist, Erik Lindh, leaving England needing only to beat the United States, to reach the quarter-finals.



Holt: won well

Results, page 39

France seek Villepreux

FRANCE, without a national coach since the resignation of Daniel Dubroca after the World Cup, have approached Pierre Villepreux, the former Toulouse coach (Peter Bills writes).

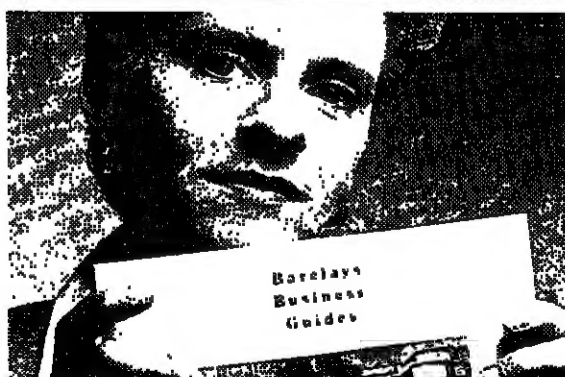
Jean Fabre, who will replace Albert Ferrasse as president of the French Rugby Federation (FFR) on December 14, has asked Villepreux to be the new senior coach.

Fabre, a former president of the Toulouse club, intends to put together the coaching duo which won Toplouse the French club championship three times in four years. That would mean bringing back

Villepreux from Italy, where he is coaching Treviso, and reuniting him with Jean-Claude Skrela, his successor as Toulouse coach.

The French have long admired the combination of Villepreux's creativity and Skrela's fitness work. However, Villepreux's two-year contract with the Italian club began in August. He said from Italy yesterday: "Of course, I would like to do the job with France. But I am not sure whether Treviso would let me go."

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BETTER OFF

TALKING TO

BARCLAYS

Lineker in land of rising yen

As Japan prepares for professional football, Joanna Pitman, in Nagoya, sees pitfalls awaiting the Englishman in the leading role.

HAVING been scooped up on one of corporate Japan's famous brand-name shopping sprees, Gary Lineker is going to be working hard to teach Japan what football is all about. In February 1993, he begins a two-year contract as the "superplayer figurehead" of Grampus Eight, a Nagoya-based club in Japan's first professional football league.

While less charitable critics have charged that the "Eight" is the result of Japanese confusion between football and rowing team numbers, it is clear that to most Japanese, the word "football" means American football and the British version, distinguished by its Japanese name, "sakkaa", will slot in somewhere between volleyball and curling.

It appears that even Lineker's proposed teammates will be new to the game. He is likely to spend his first few months explaining the rules to pimply adolescents, who will join Grampus Eight next year, having been brought up on a daily diet of baseball and sumo wrestling.

Playing alongside Lineker, and the raw recruits, will be members of Japan's amateur

football teams, people like the deputy section chief of the Toyota domestic windscreen wipers accounts division, who slots away at a desk for more than 70 hours a week, and kicks a football around on Sundays to keep his heart ticking over.

But, however infuriating his sort may be on the pitch for worldly professionals, the Toyota element is all-important. It is Toyota (with assets of £38 billion), Tokai Bank (with assets of £162 billion) and 18 other companies from the Nagoya region that are providing the league with funding of one billion yen, and will lay down many more billions to lure the World Cup in 2002.

The sponsoring companies are taking a long-term view on their returns, as the average Japanese football game draws a crowd of 4,000. What they are after, in the short term, however, is marketing. Like the leading players of the Nippon Hams baseball team, who munch, presumably for large

fees, strings of sausages on prime-time television to advertise their sponsor, it will not be long before Japanese viewers are treated to the sight of a grinning Gary Lineker extolling the virtues of Toyota's latest sporty model.

Before he can do that, he will have to put in several thousand hours boning up on his Japanese which, at present is, according to his non-English speaking director, Narumi Nishigaki, "only a tiny little words".

But, memorising 2,000 Japanese characters and learning how to swallow raw sea urchin and pickles for the early-morning team breakfast is going to be the easy part. For if Lineker thought his spell in Japan would earn him a respite from the arduous English League schedule, he was mistaken. The Japanese play an 11-month season with a minimum of 50 matches. Then, he gets his first few days off,